

**RESOLUTION OF THE NORTH HUDSON SEWERAGE AUTHORITY  
DETERMINING TO REFUND A PORTION OF ITS OUTSTANDING GROSS  
REVENUE SENIOR LIEN LEASE CERTIFICATES, SERIES 2012 B (FEDERALLY  
TAXABLE), PROVIDING FOR THE SALE OF NOT EXCEEDING \$80,000,000 GROSS  
REVENUE SENIOR LIEN LEASE CERTIFICATES TO BARCLAYS CAPITAL INC.,  
AND DETERMINING VARIOUS MATTERS PERTAINING THERETO**

---

**MOTIONED BY:** Velazquez

**SECONDED BY:** Friedrich

**WHEREAS**, The North Hudson Sewerage Authority (the "Authority") is a public body, duly formed under the Sewerage Authorities Law, constituting Chapter 138 of the Pamphlet Laws of 1946, of the State of New Jersey, as amended and supplemented (N.J.S.A. 40:14A-1 et seq.) and possesses the powers set forth therein;

**WHEREAS**, the Authority has outstanding Gross Revenue Senior Lien Lease Certificates, Series 2012 B (Federally Taxable) authenticated May 24, 2012 and maturing on June 1, 2032 and June 1, 2042 in the aggregate principal amount of \$54,170,000 (the "Prior Obligations");

**WHEREAS**, the Authority has determined to refund the Prior Obligations and to provide for the payment of same with the proceeds of Gross Revenue Senior Lien Lease Certificates to be issued in one or more Series in an aggregate amount not exceeding \$80,000,000 (the "Additional Certificates") under and pursuant to the Agent Agreement dated May 24, 2012, as amended and supplemented, by and among TD Bank, N.A. as successor Agent (the "Agent"), Municipal Infrastructure Leasing 1, Inc (the "Lessor") and the Authority (the "Agent Agreement"), and sold to Barclays US Capital Inc. (the "Underwriter") in accordance with the terms of a Purchase Contract to be entered into by and between the Authority and the Underwriter (the "Purchase Contract") (collectively, the "Refunding");

**WHEREAS**, the Authority leased its system (the "System") to the Lessor pursuant to a Head Lease Agreement by and between the Lessor and the Authority dated May 24, 2012 (the "Head Lease") and leased back the System from the Lessor pursuant to a Master Lease Agreement by and between the Authority and the Lessor dated May 24, 2012, as amended and supplemented (the "Master Lease");

**WHEREAS**, under and pursuant to the Master Lease, the Authority pays, among other payments, fixed rent in principal and interest portions to the Lessor, which fixed rent payments are assigned to the Agent under the Agent Agreement and a part of the trust estate, the participatory interests in which are evidenced by the Prior Obligations;

**WHEREAS**, under and pursuant to the Master Lease, the Authority pledges its Gross Revenues (as defined therein) to secure the payment of the fixed rent and agreed to operate and maintain the System and to pay operating expenses in connection therewith and to maintain reserves for the benefit of the System;

**WHEREAS**, under and pursuant to the Master Lease, the Authority pays its debt payable to the New Jersey Infrastructure Bank (f/k/a the New Jersey Environmental Infrastructure Trust), which debt is subordinate to the Prior Obligations and shall remain subordinate to the Additional Certificates; and

**WHEREAS**, the Authority hereby authorizes the Refunding and all matters with respect to the sale and delivery of the Additional Certificates, including the execution and delivery of a Second Amendment to the Master Lease Agreement to accommodate such changes as may be necessary to provide for the payment of the Additional Certificates; the execution and delivery of a Second Supplemental Agent Agreement authorized pursuant to Article VII of the Agent Agreement; the execution and delivery of the Purchase Contract and determination of various matters related thereto; the execution and delivery of a Secondary Market Disclosure Undertaking; the execution and delivery of an Escrow Deposit Agreement; the preparation and distribution of a Preliminary Official Statement, a final Official Statement, and any other documents, instruments or certificates deemed necessary, desirable or convenient by JP Capizzi LLC, West New York, New Jersey ("Special Counsel").

**NOW THEREFORE, BE IT RESOLVED BY THE AUTHORITY AS FOLLOWS:**

## ARTICLE I

### Introduction

Section 101. Short Title. This resolution may be cited and referred to by the Authority as the "Award Resolution".

Section 102. Certain Definitions. Capitalized terms, unless the context clearly requires otherwise, shall have the meanings assigned to such terms in the Agent Agreement, the Head Lease and the Master Lease, as may be amended and supplemented (collectively, the "Lease Documents").

## ARTICLE II

### Authorization and Issuance of Additional Certificates

Section 201. Amount and Title of Additional Certificates. Pursuant to the Lease Documents and this Award Resolution, not exceeding \$80,000,000 of Additional Certificates shall be issued by the Authority.

Section 202. Description of the Additional Certificates. The Additional Certificates shall be issued in fully registered form in one or more series. Upon issuance, the Additional Certificates shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Amounts payable on the Additional Certificates shall be paid to DTC, which will credit its participants for payment to the beneficial owners of the Additional Certificates upon presentation and surrender of the Additional Certificates at the corporate trust office of the Paying Agent. All other terms and conditions with respect to the payment of the Additional Certificates shall be as provided in the Lease Documents and this Award Resolution.

The Additional Certificates shall be in substantially the form set forth in the Agent Agreement and such form is by this reference incorporated in full as if set forth herein, with such omissions, insertions and variations as are properly required and which are not contrary to any of the provisions of the Agent Agreement.

The Additional Certificates shall be dated the date of delivery, shall mature in such amounts and at such times as provided in a certificate of the Authority setting forth the terms of the Additional Certificates and shall be in such forms as determined by the Chairman, the Vice Chairman or the Treasurer (each, an "Authorized Officer of the Authority") prior to issuance.

The Additional Certificates may be issued in the form of Serial Certificates or Term Certificates as determined by an Authorized Officer of the Authority prior to delivery and as set forth in the Purchase Contract. The Additional Certificates may be issued as tax exempt or taxable obligations.

The Additional Certificates shall be issued in amounts determined by an Authorized Officer of the Authority to be necessary to pay costs of issuance and to provide one or more escrow funds (the "Escrow Funds") each of which, when invested, will be sufficient to provide for the redemption or defeasance, as applicable, of the Prior Obligations.

The Additional Certificates shall have a copy of the approving opinion Special Counsel attached thereto.

Section 203. The Authority is hereby authorized to make representations and warranties, to enter into agreements and to make all arrangements with The Depository Trust Company, New York, New York, as may be necessary in order to provide that the Additional Certificates will be eligible for deposit with The Depository Trust Company and to satisfy any obligation undertaken in connection therewith.

Section 204. In the event that The Depository Trust Company determines to discontinue providing its service with respect to the Additional Certificates or is removed by the Authority and if no successor Securities Depository is appointed, the Additional Certificates shall be registered in the names of the beneficial owners. The Authority shall be obligated to provide for the execution and delivery of the new registered Additional Certificates without charge to the beneficial owners.

Section 205. The Authority designates TD Bank, N.A. to act as Escrow Agent for the redemption or defeasance of the Prior Obligations, and will execute and deliver at closing an Escrow Deposit Agreement with the Escrow Agent in such form as approved by Special Counsel.

Section 206. The Authority will execute and deliver at closing a Secondary Market Disclosure Undertaking in a form approved by Special Counsel, in order to comply with the secondary market disclosure requirements contemplated by Rule 15c2-12 adopted by the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.

Section 207. Each of NW Financial Group, LLC and TD Bank, N.A. are hereby authorized to apply for SLGS on behalf of the Authority, if available, or to arrange for the purchase of open market securities to invest the amounts in the Escrow Funds.

Section 208. Redemption of Additional Certificates. The Additional Certificates shall be subject to redemption prior to maturity as provided for in the Agent Agreement as supplemented. Such redemptions may include optional, mandatory sinking fund and special redemptions from condemnation or insurance proceeds and such other redemptions as are necessary, in the opinion of an Authorized Officer of the Authority, to market the Additional Certificates.

### ARTICLE III

#### Sale and Delivery of Additional Certificates

Section 301. Sale and Award of Additional Certificates. The Additional Certificates shall be sold and awarded to Barclays Capital Inc., New York, New York pursuant to the Purchase Contract to be executed by an Authorized Officer of the Authority. The Purchase Contract, in customary form, with any changes, insertions and omissions to such form as may be approved by the Authorized Officer of the Authority executing same, with the advice of Special Counsel, is hereby approved.

Section 302. Approval of Second Supplemental Agent Agreement, Second Amendment to the Master Lease Agreement, Preliminary Official Statement and Official Statement. The Second Supplemental Agent Agreement, the Second Amendment to the Master Lease Agreement, and Preliminary Offering Memorandum, substantially in the forms set forth in Appendices A - C hereto, with such changes, insertions and omissions as may be approved by the Authorized Officer of the Authority, in consultation with Special Counsel, are hereby approved, and an Authorized Officer of the Authority is hereby authorized to deem the Preliminary Official Statement final within the meaning of Rule 15c2-12 adopted by the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934. The final Official Statement shall be delivered to the Underwriter within 7 business days following the sale of the Additional Certificates.

Section 303. Authentication and Delivery of the Additional Certificates. An Authorized Officer of the Authority is authorized to cause the Additional Certificates to be authenticated, executed and delivered by the Agent in accordance with the terms of the Lease Documents and this Award Resolution.

Section 304. Prior Actions. All actions which have been taken prior to the date hereof by the officers, employees, and agents of the Authority with respect to the issuance of the Additional Certificates, are hereby approved, ratified, adopted and confirmed.

Section 305. Additional Acts. The Authorized Officers of the Authority, and the staff and consultants of the Authority, are hereby authorized and directed to take all additional actions on behalf of the Authority, including the execution and delivery of all documents, instruments, contracts or agreements set forth in this Award Resolution as well as any additional documents, instruments, contracts or agreement which are deemed necessary, desirable or convenient by Special Counsel to effectuate the terms of the Lease Documents and this Award Resolution in connection with the issuance, sale and delivery of the Additional Certificates and the transactions contemplated by the Purchase Contract and the Offering Memorandum. The Secretary of the Authority is hereby authorized to attest to the signature of any Authorized Officer of the Authority and to affix, imprint or reproduce the Authority's official seal on any documents, instruments, contracts or agreements to be delivered with respect to the Refunding.

## ARTICLE IV

### Various Matters

Section 401. Appointment of Consultants. The following consultants and professionals are hereby appointed in connection with the issuance of the Additional Certificates:

Special Counsel	JP Capizzi LLC
Municipal Advisor	NW Financial Group, LLC
Rate Consultant	Amawalk Consulting Group LLC
Consulting Engineer	Mott MacDonald
General Counsel	JP Capizzi LLC
Auditor	Garbarini & Co., P.C.
Verification Agent	Donohue, Gironda, Doria & Tomkins, LLC
Trustee / Escrow Agent	TD Bank, N.A.

Section 402. The Authority hereby ratifies the application of the Municipal Advisor and Auditor for a credit rating on the Additional Certificates from Standard & Poor's Ratings Services.

Section 403. Appointments of Agent and Custodian Bank. TD Bank, N.A. is designated as the Agent under the Second Supplemental Agent Agreement. TD Bank, N.A. is designated as Custodian Bank under the Second Supplemental Agent Agreement.

Section 404. The Executive Director shall obtain printing services from an established financial printer for the transaction.

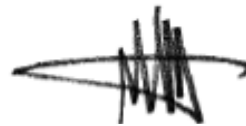
Section 405. This Award Resolution shall take effect immediately.

**DATED: AUGUST 19, 2021**

**RECORD OF COMMISSIONERS' VOTE**

	<b>YES</b>	<b>NO</b>	<b>ABSENT</b>
Commissioner Soares	x		
Commissioner Kappock			x
Commissioner Marotta	x		
Commissioner Gardiner	x		
Commissioner Friedrich	x		
Commissioner Guzman	x		
Commissioner Velazquez	x		
Commissioner Barrera	x		
Commissioner White	x		

**THIS IS TO CERTIFY THAT THIS RESOLUTION WAS DULY ADOPTED BY THE NORTH HUDSON BOARD OF COMMISSIONERS ON AUGUST 19, 2021.**



---

**SECRETARY**

Appendix A

FORM OF Second Supplemental Agent Agreement

Appendix B

FORM OF Second Amendment to the Master Lease Agreement



Appendix C

FORM OF Preliminary Official Statement

**FORM OF  
SECOND SUPPLEMENTAL AGENT AGREEMENT**

Among

TD BANK, N.A.

As Agent,

and

MUNICIPAL INFRASTRUCTURE LEASING 1 INC

As Lessor,

and

THE NORTH HUDSON SEWERAGE AUTHORITY

As Lessee.

Dated September \_\_, 2021

## **TABLE OF CONTENTS**

ARTICLE I DEFINITIONS .....	1
Section 1.01 Definitions.....	1
Section 1.02 Interpretations.....	4
ARTICLE II THE 2021 Certificates .....	5
Section 2.01 Authorization, Execution and Delivery of the 2021 Certificates .....	5
Section 2.02 Provisions of the 2021 Certificates.....	5
Section 2.03 Maturities; Rates of Interest .....	7
Section 2.04 Payment of Certificates; Security .....	7
Section 2.05 Registration and Transfer .....	8
ARTICLE III REDEMPTION .....	10
Section 3.01 Redemption of Certificates; General.....	10
Section 3.02 Optional Redemption.....	10
Section 3.03 Selection of Certificates for Redemption .....	10
Section 3.04 Partial Redemption of Certificate .....	10
Section 3.05 Notice of Redemption .....	11
Section 3.06 Effect of Redemption .....	12
Section 3.07 Payment Sources on Prepayment.....	12
ARTICLE IV MISCELLANEOUS.....	13
Section 4.01 Agent Agreement Binding Upon Parties and Successors; Parties Benefitted.....	13
Section 4.02 Agent Agreement in Several Counterparts .....	13
Section 4.03 Applicable Law .....	13
Section 4.04 Severability of Invalid Provisions .....	13
Section 4.05 No Usury.....	13
Section 4.06 Notices .....	13
Section 4.07 Notice to Securities Depository with Respect Consents.....	14
Section 4.08 No Personal Recourse .....	14
Section 4.09 Headings for Convenience Only .....	14
Section 4.10 Survival of Provisions .....	14
Section 4.11 No Third Party Beneficiaries.....	14
Section 4.12 Bond Insurance .....	14
APPENDIX A.....	FORM OF THE 2021 CERTIFICATES
APPENDIX B.....	FORM OF REQUEST AND AUTHORIZATION
APPENDIX C .....	FIXED RENT PAYMENT SCHEDULE
APPENDIX D .....	BOND INSURANCE PROVISIONS

This SECOND SUPPLEMENTAL AGENT AGREEMENT (the "Second Supplemental Agent Agreement") is made as of September 28, 2021 by and among TD Bank, N.A., as successor Agent and not in its individual capacity ("Agent"), MUNICIPAL INFRASTRUCTURE LEASING 1 INC, a New Jersey corporation ("Lessor" or "Landlord") and THE NORTH HUDSON SEWERAGE AUTHORITY, a sewerage authority of the State of New Jersey (the "Authority", "Lessee" or "Tenant").

WHEREAS, the Authority has outstanding (i) Gross Revenue Senior Lien Lease Certificates, Series 2012 B (Federally Taxable) authenticated May 24, 2012 and maturing on June 1, 2032 and June 1, 2042 in the aggregate principal amount of \$54,170,000; and (ii) Gross Revenue Senior Lien Lease Certificates, Series 2012 B (Federally Taxable) authenticated August 12, 2016 and maturing on June 1, 2022 in the principal amount of \$425,000 (collectively, the "Prior Obligations"); and

WHEREAS, the Authority has determined to refund the Prior Obligations and to provide for the payment of same with the proceeds of Gross Revenue Senior Lien Lease Certificates to be issued in one or more Series in an aggregate amount not exceeding \$80,000,000 (the "Additional Certificates", and sometimes the "2021 Certificates") under and pursuant to an Agent Agreement dated as of May 24, 2012 (the "Original Agent Agreement"), as amended and supplemented by the Supplemental Agent Agreement dated as of November 22, 2019 (the "Supplemental Agent Agreement"), and as further amended and supplemented by the Second Supplemental Agent Agreement dated as of September 28, 2021, by and among the Agent, the Lessor and the Authority (the "Second Supplemental Agent Agreement", together with the Original Agent Agreement and the Supplemental Agent Agreement, the "Agent Agreement").

NOW THEREFORE, the parties hereto mutually agree as follows:

## ARTICLE I

### DEFINITIONS

Section 1.01. Definitions. Terms used herein, unless otherwise defined, shall have the meanings assigned to them in the Agent Agreement. Unless the context clearly requires otherwise, the terms "Lease" and "Agent Agreement" as used in the Original Agent Agreement shall be deemed to include the Second Amendment to the Master Lease dated September 28, 2021 and this Second Supplemental Agent Agreement.

"Agent" shall mean TD Bank, N.A., as successor agent and not in its individual capacity and its successors or assigns appointed as Agent hereunder.

"Agent Agreement" shall mean the Original Agent Agreement dated as of May 24, 2012 by and among the Agent, the Lessor, and the Lessee, as amended and supplemented by the Supplemental Agent Agreement dated as of November 22, 2019, and as further amended and supplemented by this Second Supplemental Agent Agreement.

"Authorized Denominations" shall mean denominations of (1) \$5,000 or any integral multiple thereof with respect to Current Interest Certificates and (2) a maturity value of \$5,000 or any integral multiple thereof with respect to Capital Appreciation Certificates.

“Bond Insurer” means Assured Guaranty Municipal Corp. and its successors and assigns.

“Bond Insurance Policy” or “Policy” means the municipal bond insurance policy issued by the Bond Insurer insuring the scheduled payment of principal and interest on the 2021 Certificates.

“Certificate” or “Certificates” or “2021 Certificates” shall mean each Gross Revenue Senior Lien Lease Certificate of a Series, including the 2021 Certificates, a form of which is set forth in Appendix A hereto, executed and delivered by the Agent pursuant to the Agent Agreement as supplemented by this Second Supplemental Agent Agreement, and the Request and Authorization, each such Certificate representing a participatory interest in the Estate, comprising the Fixed Rent under the Lease, including the portion of the Fixed Rent designated as the Principal Portion due and payable on each Certificate on the maturity date, any sinking fund, serial maturity or Prepayment Date thereof and the designated Interest Portion of the Fixed Rent due and payable by the Agent to the holders of the Certificates, as provided in the Agent Agreement, to and including such maturity or Redemption Date, at the rate set forth in the Certificate, including the 2021 Certificates and any Additional Certificates authorized and issued hereunder, all of which have been assigned, conveyed and transferred herein to the Agent pursuant to Section 2.01(i) of the Agent Agreement.

“Effective Date” with respect to the 2021 Certificates shall mean September 28, 2021, the dated date of the 2021 Certificates.

“Interest Payment Date” shall mean each June 1 and December 1.

“Interest Portion” or “Interest Portions” with respect to the 2021 Certificates shall mean with respect to each Fixed Rent Payment, the portion thereof which is interest on the 2021 Certificates, which for the 2021 Certificates shall be in the amounts set forth in Schedule 3.01 to the Lease, as the same may from time to time be adjusted pursuant to Section 3.10 of the Lease. The Interest Portion on the 2021 Certificates shall be computed on the basis of a 360-day year, consisting of twelve 30-day months.

“Lease” shall mean the Master Lease Agreement dated as of May 24, 2012, as amended on November 22, 2019, and as further amended on September 28, 2021, between the Lessee or Tenant and the Lessor or Landlord, to be delivered contemporaneously herewith, as the same may be amended from time to time.

“Maturity Date” shall mean with respect to the 2021 Certificates, the final maturity date of the 2021 Certificates, June 1, 2042.

“Optional Redemption” with respect to the 2021 Certificates shall mean an optional redemption of the Principal Portion of Fixed Rent represented by the 2021 Certificates pursuant to Section 3.02 hereof.

“Principal Payment Date” with respect to the 2021 Certificates shall mean, initially December 1, 2021 and annually thereafter on June 1 in each year.

“Principal Portion” or “Principal Portions” shall mean with respect to each Fixed Rent Payment, the portion thereof which is principal on the 2021 Certificates, which for the 2021

Certificates shall be in the amounts set forth in Schedule 3.01 to the Lease, as the same may from time to time be adjusted pursuant to Section 3.10 of the Lease.

“Proceeds” with respect to the 2021 Certificates shall mean the aggregate moneys paid by the initial purchaser of the 2021 Certificates to the Agent, including any accrued interest on the 2021 Certificates, which may be net of any applicable underwriter’s discount with respect to the 2021 Certificates issued hereunder.

“Purchase Option Price” with respect to the 2021 Certificates shall mean (a) in the event of the exercise of the Lessee of its option to prepay Fixed Rent pursuant the Lease, an amount equal to the Purchase Option Price specified in the Lease and (b) in the event the Lessee is required to prepay some Principal Portion of Fixed Rent pursuant to the Lease, an amount equal to the Principal Portion of Fixed Rent represented by the 2021 Certificates or portions thereof to be prepaid plus the Interest Portion of Fixed Rent accrued thereon, if any, to the Redemption Date payable upon presentment thereof pursuant to the provisions of such Certificates and the Agent Agreement.

“Purchase Price”, with respect to the 2021 Certificates for the purpose of computation of the Yield of the 2021 Certificates, shall have the same meaning as the term “issue price” in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the 2021 Certificates to the public (not including bond houses and brokers, or similar Persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the 2021 Certificates of each maturity are sold or, if the 2021 Certificates are privately placed, the price paid by the first buyer of the 2021 Certificates or the acquisition cost of the first buyer.

“Redemption” with respect to the 2021 Certificates shall mean the payment prior to the stated maturity dates thereof of the Principal Portions of all or less than all of the 2021 Certificates pursuant to Article IV hereof.

“Request and Authorization” with respect to the 2021 Certificates shall mean the Request and Authorization from the Lessor to the Agent, dated the Funding Date, directing the Agent to authenticate and deliver the 2021 Certificates and deposit the Proceeds into the various accounts, as indicated therein. The Request and Authorization shall be substantially in the form set forth in Appendix B hereto.

“Series” when used with respect to less than all of the 2021 Certificates, means all of the 2021 Certificates which are so designated as a Series by this Agent Agreement or a Supplemental Agent Agreement authorizing such Series of Certificates, regardless of variations in maturity, interest rate or other provisions, and any Certificates which are thereafter authenticated and delivered in lieu of or in substitution for any of such Certificates under and pursuant to the terms of the Agent Agreement; provided however, that notwithstanding the foregoing to the contrary, any Tax Exempt Certificates shall in no event be treated as being part of the same Series as Taxable Certificates.

“2021 Certificates” shall mean the 2021 Certificates authorized to be issued pursuant to Section 3.01 of this Second Supplemental Agent Agreement in the aggregate amount of \$80,000,000.

“Sinking Fund Installment” shall mean (i) those payments of the Principal Portion which are required by Section 4.02(b) of the Agent Agreement to be deposited in the Principal

Account out of the Fixed Rent Payment made by the Lessee on each Fixed Rent Payment Date and applied toward the mandatory sinking fund Redemption of any particular Outstanding Certificates including the 2021 Certificates and (ii) with respect to any Additional Certificates, the amount required by the applicable Supplemental Agent Agreement to be deposited in the Principal Account out of the Fixed Rent Payment made by the Lessee on each Fixed Rent Payment Date toward the retirement of any particular Outstanding Additional Certificates. Sinking Fund Installment does not include any amount payable by reason only of the maturity of the 2021 Certificates or the Additional Certificates, as applicable.

“Substitute Credit Facility” shall mean a bond insurance policy, surety bond, line of credit or any other credit enhancement vehicle.

“Supplemental Agent Agreement” shall mean this Second Supplemental Agent Agreement entered into in accordance with Article VII of the Original Agent Agreement.

Section 1.02. Interpretations. The words “hereof”, “herein”, “hereto”, “hereby”, and “hereunder” (except in the form of the 2021 Certificates), refer to the entire Agent Agreement.

## ARTICLE II

### THE 2021 Certificates

#### Section 2.01. Authorization, Execution and Delivery of the 2021 Certificates.

(a) The Agent shall issue, execute and deliver the 2021 Certificates in the principal amount of \$80,000,000 Gross Revenue Senior Lien Lease Certificates, Series 2021 on the terms and conditions herein set forth, and as provided in the Request and Authorization. The aggregate principal amount of 2021 Certificates issued on the Funding Date shall be an amount equal to the Proceeds (less accrued interest) plus any underwriters' discount, which aggregate principal amount of 2021 Certificates shall equal the entire Principal Portion of all Fixed Rent initially specified in the Lease. The Proceeds shall be deposited in the various Funds and Accounts established hereunder as set forth in the Request and Authorization. The 2021 Certificates shall be executed by the manual signature of an Authorized Representative of the Agent, as authorized and directed by an executed Request and Authorization. The 2021 Certificates shall be substantially in the form set forth in Appendix A hereto, with such modifications and amendments to such form as may be necessary or appropriate to reflect the transactions authorized hereby.

#### Section 2.02. Provisions of the 2021 Certificates.

(a) (1) The 2021 Certificates shall be numbered consecutively from one (1) upwards. The 2021 Certificates shall be issued in fully registered form in Authorized Denominations. The Interest Portion of the Fixed Rent represented by each Certificate shall be payable from the Interest Payment Date next preceding the date of execution thereof unless they are executed as of an Interest Payment Date, in which event the Interest Portion thereof shall be payable from such Interest Payment Date, or unless the date of execution thereof is prior to the first Interest Payment Date, in which event the Interest Portion thereof shall be payable from the dated date.

(2) The 2021 Certificates shall be dated and bear interest from September 28, 2021 (with respect to the Current Interest Certificates), shall be calculated on the basis of a 360-day year composed of twelve 30-day months payable initially on December 1, 2021 and semiannually thereafter on the first days of June and December of each and every year, until the maturity or prior Redemption thereof;

(3) Notwithstanding the foregoing, if, as shown by the records of the Agent, payment of the Interest Portion of the Fixed Rent represented by the 2021 Certificates shall be in default, the Interest Portion of the Fixed Rent represented by Certificates issued in exchange for the Certificates surrendered for transfer or exchange shall be paid from the last date to which such Interest Portion has been paid in full or duly provided for, or, if no Interest Portion has been paid in full or duly provided for, as represented by the 2021 Certificates, from the dated date.

(b) The 2021 Certificates, upon original issuance, are to be issued in the form of a single, fully registered Certificate for each maturity thereof, in denominations equal to the Principal Portion maturing on each such date, and shall be delivered to the Securities Depository or its nominee, CEDE & Co. ("Cede"). Each such Certificate shall be registered on the registration books kept by the Agent, as Registrar and transfer agent, in the name of the Securities Depository or, at the Securities Depository's option, in the name of Cede (or such other nominee as the



Securities Depository at the time shall request in writing to the Agent and Lessor and Lessee), as the Securities Depository's nominee, and no beneficial owners thereof will receive Certificates representing their respective interests in such Certificates, except in the event the Agent issues Replacement Certificates ("Replacement Certificates") as provided in Section 3.07 of the Agent Agreement.

As long as the 2021 Certificates are in book-entry only form, payment of the Interest Portion of any Certificates shall be made by wire transfer of immediately available funds to the account of Cede on the Interest Payment Date for the 2021 Certificates at the address and to the account indicated for Cede in the registry books of the Registrar.

(c) With respect to Certificates so registered in the name of Cede, the Agent, the Lessor and the Lessee shall have no responsibility or obligation to any DTC participant, indirect participant or beneficial owner of the 2021 Certificates. Without limiting the immediately preceding sentence, the Agent, the Lessor and the Lessee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC participant or indirect participant with respect to any beneficial ownership interest in the 2021 Certificates, (ii) the delivery to any DTC participant, indirect participant, beneficial owner or any other Person, other than DTC, of any notice with respect to the Certificates, including any notice of Redemption, or (iii) the payment to any DTC participant, indirect participant, beneficial owner or any other Person, other than DTC, of any amount with respect to the Principal Portion, Redemption Price, as applicable, or Interest Portion of, the 2021 Certificates. The Agent, the Lessor and the Lessee may treat DTC as, and deem DTC to be, the absolute Owner of each Certificate for the purpose of (i) payment of the Principal Portion, Redemption Price, as applicable, and the Interest Portion of, each such Certificate, (ii) giving notices of Redemption and other matters with respect to such Certificates, (iii) registering transfers with respect to such Certificates, and for all other purposes whatsoever. The Agent shall pay all Principal Portions or Redemption Prices, as applicable, and Interest Portions of the 2021 Certificates only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Agent's obligations with respect thereto to the extent of the sum or sums so paid. No Person other than DTC shall receive a Certificate evidencing the obligation of the Agent to make payments of the Principal Portion or Redemption Price, as applicable, and the Interest Portion thereof pursuant to the Agent Agreement. Upon delivery by DTC to the Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions hereof, the word "Cede" in the Agent Agreement shall refer to such new nominee of DTC.

(d) DTC may determine to discontinue providing its services with respect to the 2021 Certificates at any time by giving written notice to the Agent and discharging its responsibilities with respect thereto under applicable law.

(e) The Agent, (i) upon written direction of the Lessee, in the Lessee's sole discretion and without the consent of any other Person, shall terminate the services of DTC with respect to the 2021 Certificates, and (ii) shall terminate the services of DTC with respect to the 2021 Certificates upon receipt by the Agent of written notice from DTC to the effect that DTC has received written notice from DTC participants or indirect participants having interests, as shown in the records of DTC, in an aggregate amount of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Certificates to the effect, that: (i) DTC is unable to discharge its responsibilities with respect to the 2021 Certificates; or (ii) a continuation of the requirement that all of the Outstanding Certificates be registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC, is not in the best interest of the beneficial owners of the 2021 Certificates.

(f) Upon the termination of the services of DTC with respect to the 2021 Certificates, or upon the discontinuance or termination of the services of DTC with respect to the 2021 Certificates after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Lessee, is willing and able to undertake such functions upon reasonable and customary terms, the Lessee, at its sole cost and expense, shall arrange for the preparation of certificated Certificates and the 2021 Certificates shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede as nominee of DTC, but may be registered in whatever name or names Owners transferring or exchanging Certificates shall designate, in accordance with the Agent Agreement.

(g) Notwithstanding any other provision of the Agent Agreement to the contrary, so long as any Certificate is registered in the name of Cede, as nominee of DTC, all payments with respect to the Principal Portion or Redemption Price, as applicable, and the Interest Portion of, and all notices with respect to, such Certificate shall be made and given, respectively to DTC.

(h) In connection with any notice or other communication to be provided to Owners pursuant to the Agent Agreement by the Agent with respect to any consent or other action to be taken by Owners, the Agent, as the case may be, shall establish a Record Date for such consent or other action and give DTC notice of such Record Date not less than fifteen (15) calendar days in advance of such Record Date to the extent possible.

Section 2.03. Maturities; Rates of Interest. The 2021 Certificates shall mature as to Principal Portions and shall bear interest at the rates (computed on the basis of a 360-day year having twelve 30-day months), as set forth in Appendix C hereto. The 2021 Certificates shall be subject to Redemption as set forth in Article IV hereof.

#### Section 2.04. Payment of Certificates; Security.

(a) The 2021 Certificates shall be secured on a parity basis with all other outstanding Certificates (as described in Section 201 of the Agent Agreement) by the liens, security interests and assignments created by the Agent Agreement and the Lease and shall be payable (whether at maturity or upon Redemption or acceleration) as to the Principal Portion or Redemption Price, if any, in then lawful money of the United States of America at the principal corporate trust office of the Agent upon surrender of the 2021 Certificates. Payment of the corresponding Interest Portion of the Fixed Rent represented by the 2021 Certificates shall be payable to the Person appearing in the registration books of the Registrar as the Owner thereof on the Record Date, such Interest Portion to be paid to such Owner by wire transfer as provided in Section 3.05(b) when the Securities Depository is the Owner, otherwise by check mailed (first class postage prepaid), or delivered on the Interest Payment Date to such Owner's address as it appears on the registration books of the Registrar on the Record Date; except, in each case, that, if and to the extent that there shall be a default in the payment of the Interest Portion of the Fixed Rent represented by the 2021 Certificates due on such corresponding Interest Payment Date, such defaulted Interest Portion shall cease to be payable to the Registered Owner thereof on the Record Date, but shall be paid to the Owners in whose name any such Certificates are registered at the close of business on the tenth (10) Business Day ("Special Record Date") next preceding the date of payment of such defaulted Interest Portion ("Special Payment Date"). Such Special Payment Date shall be fixed by the Agent whenever moneys become available for the payment of the defaulted interest and notice of the Special Payment Date shall be given by mail to the Registered Owner thereof as of the Special Record Date not less than ten (10) days prior to the Special Payment Date. Payment of or on account of the corresponding Interest Portions and

Principal Portions of the Fixed Rent represented by each Certificate shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and to discharge the liability under the Lease as represented by such Certificate to the extent of the sum or sums so paid.

(b) So long as the 2021 Certificates are registered in the name of the Securities Depository or its nominee, to the extent available, the Agent shall transfer (i) on each Interest Payment Date, the Interest Portion due on each such date to the Securities Depository, and (ii) on each Principal Payment Date or Redemption Date, upon surrender of the Certificates maturing or being prepaid in full (without the requirement of surrendering any such Certificate on a partial Redemption thereof) on such date, the Principal Portion due on each such date to the Securities Depository, which amounts so transferred, shall be, on the Interest and Principal Payment Date or Redemption Date, at the principal office of the Securities Depository, by wire transfer in immediately available funds. All payments made by the Agent to the Securities Depository or its nominee shall fully satisfy the Agent's obligations to pay the Principal Portion or Redemption Price of and the Interest Portion on the Certificates to the extent of such payments, and no securities depository participant (direct or indirect) or beneficial owner of any interest in any Certificate registered in the name of the Securities Depository or its nominee shall have any recourse against the Agent, the Lessee or the Lessor hereunder for any failure by the Securities Depository to remit payment to any direct or indirect participant therein or failure by any such participants to remit such payments to the beneficial owners of such Certificates.

#### Section 2.05. Registration and Transfer.

(a) The Agent shall keep at its corporate trust office books for the registration of exchange and transfer of Certificates. The Agent is appointed Registrar and transfer agent to keep such books and to make such registrations of exchanges and transfers under such regulations as the Agent may prescribe and on the terms and conditions set forth in the form of the Certificate and herein. Upon presentation for such purpose, the Registrar shall register the transfer or exchange on such books of such Certificates as hereinbefore provided.

(b) Certificates may be transferred upon the registration books upon delivery to the Agent of the 2021 Certificates accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Agent, duly executed by the registered owner of the 2021 Certificates to be transferred or his duly authorized attorney-in-fact or other legal representative, containing written instructions as to the details of the transfer of such Certificates. No transfer of any Certificate shall be effective until entered on the registration books maintained by the Agent or its successor. In like manner, Certificates may be exchanged by the Owners thereof or by their duly authorized attorneys-in-fact or other legal representative for Certificates of the same maturity and of Authorized Denomination or Denominations in the same aggregate principal amount and bearing the same rate of interest. Upon the registration of the transfer and the surrender of the Certificate, the Registrar shall provide in the name of the transferee, a new fully registered Certificate or Certificates of the same dated date, interest rate, aggregate principal amount and maturity date as the surrendered Certificate. The Registrar also shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. The Agent reserves the right to charge a transfer fee for such transaction contemplated herein. The 2021 Certificates shall not be valid or obligatory in the hands of the Owners thereof unless executed by the manual signature of a duly authorized officer of the Agent. The Agent shall not be required to exchange or transfer any Certificate for a period of ten (10) days next preceding any selection of Certificates to be redeemed or thereafter until after the first publication or mailing of any notice of Redemption or

any Certificates called for Redemption or to exchange or transfer Certificates between any Record Date and the immediately succeeding Interest Payment Date.

## ARTICLE III

### REDEMPTION

Section 3.01. Redemption of 2021 Certificates; General. The 2021 Certificates are subject to Redemption pursuant to the provisions of this Article IV to the extent the Lessee is entitled or is required to make and does make a Prepayment of Fixed Rent pursuant to the provisions of the Lease. Any optional Redemption made pursuant to Section 3.02 hereof is subject to the conditions precedent that moneys or Government Obligations in (i) an amount equal to the Principal Portion of the Certificates to be so prepaid, calculated as of the Redemption Date shall have been deposited in the Principal Account, (ii) an amount equal to the Interest Portion of the 2021 Certificates to be so prepaid, calculated as of the Redemption Date shall have been deposited in the Interest Account, and (iii) an amount equal to the Redemption premium, if any, of the 2021 Certificates to be so prepaid calculated as of the Redemption Date, shall have been deposited in the Principal Account thirty (30) days prior to the date fixed for Redemption. If, on the Redemption Date, moneys or Government Obligations for the Redemption of all the Certificates or portions thereof of any like series and maturity to be prepaid, together with interest thereon to the Redemption Date, shall be held by the Agent so as to be available therefor on said date and if notice of Redemption shall have been given as aforesaid, then, from and after the Redemption Date interest on the Certificates or portions thereof of such series and maturity so called for Redemption shall cease to accrue and become payable. If said moneys or Government Obligations shall not be so available on the Redemption Date, such notice of Redemption shall be rescinded by the Agent upon the written direction of Lessee, shall be deemed to be null and void as if never given and such Certificates or portions thereof shall continue to bear interest until paid at maturity at the same rate as they would have borne had they not been called for Redemption.

Section 3.02. Optional Redemption. The 2021 Certificates maturing prior to June 1, 2032 are not subject to optional redemption prior to their respective stated maturity dates. The 2021 Certificates maturing on or after June 1, 2032 are subject to redemption, at the option of the Lessee, upon the prepayment of all or a portion of the Fixed Rent under the Lease, on or after June 1, 2031, in whole or in part on any date, at a redemption price equal to 100% of the Principal Portion of the 2021 Certificates, plus, in each case, the Interest Portion accrued and unpaid to the date fixed for redemption.

Section 3.03. Selection of Certificates for Redemption. If less than all of the 2021 Certificates are called for optional redemption, the Agent shall select such 2021 Certificates or portions thereof in such order of maturity and within a maturity by lot, as shall be determined by the Authority and communicated to the Agent in writing not less than sixty (60) days prior to such Redemption Date.

While DTC is the sole registered owner of the 2021 Certificates, such selection shall be made by DTC in accordance with the process then employed and adopted by DTC and as described in the Agent Agreement. The Authority shall only select 2021 Certificates in Authorized Denominations and any additional amounts available shall be transferred to the Interest Account and credited to the next Fixed Rent Payment due under the Lease in the appropriate account in the Certificate Fund.

Section 3.04. Partial Redemption of Certificate. Upon presentation and surrender of any 2021 Certificate prepaid in part only, the Agent shall execute and shall deliver to the Owner thereof, at the expense of the Lessee, a new 2021 Certificate or Certificates of Authorized

Denominations and of the same maturity, CUSIP number, Redemption provisions, if any, and interest rate or rates equal in an aggregate principal amount equal to the unpaid portion of the 2021 Certificate surrendered.

#### Section 3.05. Notice of Redemption.

(a) The Agent is hereby directed, upon receipt of required notifications of any Redemption described in Sections 3.02, 3.03 and 3.04 above, to mail, first class mail, return receipt requested, a notice of Redemption not more than sixty (60) days and not less than thirty (30) days before the Redemption Date to the Owner of each 2021 Certificate to be prepaid in whole or in part (i.e., in \$5,000 increments as provided below). Failure to give all or any portion of such Notice by Mail to an Owner or any defect therein, shall not affect or nullify the validity of any proceedings for the Redemption of other 2021 Certificates. Deposit of any such notice in the United States mail shall constitute constructive receipt by such Owner. The Agent shall redeem on each respective Redemption Date the principal amount of 2021 Certificates or portions thereof (i.e., in \$5,000 increments as provided below) aggregating the amount to be then prepaid. So long as the Securities Depository remains the sole registered owner of the 2021 Certificates, the Agent shall be required only to send the notice of Redemption to the Securities Depository at the time and in the manner specified herein. Any failure of the Securities Depository to advise any of its participants ("Participants") or any failure of any Participant to notify any beneficial owner of any such notice and its content or effect shall not affect the validity of the proceedings for Redemption of the 2021 Certificates called for Redemption or of any other action premised on such notice.

Each notice of Redemption shall be dated as of the date of its mailing, and shall state the date of the original issuance of the 2021 Certificates, the Redemption Date, the place of Redemption, the CUSIP numbers of the 2021 Certificates to be prepaid, to the extent applicable, the Redemption Price, that the 2021 Certificates to be redeemed (or any portion thereof) will be payable only upon surrender thereof to the Agent, the distinctive numbers of the 2021 Certificates to be prepaid (if less than all the 2021 Certificates are to be prepaid the Principal Portion to be prepaid) the rate or rates of the Interest Portion of the Fixed Rent represented by the 2021 Certificate being prepaid, the maturity date of each 2021 Certificate or portion thereof being prepaid, and any other descriptive information needed to identify accurately the 2021 Certificates being prepaid and the fact that the corresponding Interest Portion of the Fixed Rent represented by the 2021 Certificates designated for Redemption shall cease to accrue from and after such Redemption Date and that on such date there will become due and payable on each of such 2021 Certificates the corresponding Redemption Price. The notices required to be given by this Section shall state that no representation is made as to correctness or accuracy of the CUSIP numbers listed in such notice or stated on the 2021 Certificates.

While the Securities Depository is the sole registered owner of the 2021 Certificates, any selection by lot shall be made by the Securities Depository in accordance with the "standard call lottery process" or such other process adopted by the Securities Depository. In case part by not all of a 2021 Certificate shall be selected for Redemption, the Owner thereof or his or her attorney or legal representative shall present and surrender such 2021 Certificate to the Agent for payment of the Principal Portion or Redemption Price thereof so called for Redemption, and the Agent shall execute and deliver to or upon the order of such Owner or his or her legal representative, without charge therefor to the Owner, for the unprepaid portion of the Principal Portion of the 2021 Certificate so surrendered, a 2021 Certificate or Certificates of the same maturity, bearing interest at the same rate and of any Authorized Denomination or Denominations.

(b) Upon the payment of the Redemption Price of 2021 Certificates being prepaid, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying by issue and maturity, the 2021 Certificates being prepaid with the proceeds of such check or other transfer.

(c) If at the time of mailing of any notice of optional redemption there shall not have been deposited with the Agent amounts sufficient to redeem all of the 2021 Certificates that have been called for redemption, such notice shall state that it is conditional upon the deposit of such amounts with the Agent not later than the opening of business on the date set for redemption, and that such notice shall be of no effect unless such moneys are so deposited.

Section 3.06. Effect of Redemption. Notice of Redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of such 2021 Certificates (or portions thereof) being held by the Agent on the Redemption Date designated in such notice, the 2021 Certificates (or the portions thereof) so called for Redemption shall become due and payable at the Redemption Price specified in such notice and the Interest Portion of Fixed Rent represented by the 2021 Certificates so called for Redemption shall cease to accrue, such 2021 Certificates (or portions thereof) shall cease to be entitled to any benefit or security under the Agent Agreement, and the Owners of such 2021 Certificates shall have no rights in respect thereof except to receive payment of the Redemption Price. All 2021 Certificates prepaid pursuant to the provisions of this Article shall be canceled upon surrender thereof and shall be destroyed by the Agent.

Section 3.07. Payment Sources on Prepayment. On a Prepayment by Lessee of the entire Purchase Option Price of the Project, all Available Revenues held pursuant to the Agent Agreement and allocable to the Project shall be applied and credited toward such Redemption.

On a Prepayment by Lessee of part of the Purchase Option Price of the Project, any Net Proceeds not being applied toward a repair, reconstruction or restoration of the Project and any moneys in the Certificate Fund relating to the Project and not otherwise encumbered under the terms hereof, shall be applied and credited toward such Redemption.

ARTICLE IV

MISCELLANEOUS

Section 4.01. Agent Agreement Binding Upon Parties and Successors; Parties Benefitted. This Second Supplemental Agent Agreement shall inure to the benefit of and shall be binding upon the Agent, the Lessor and the Lessee, and their respective successors and assigns, subject however, to the limitations contained herein. No Persons other than the Lessor, the Lessee, the Agent, the Owners of Certificates, and the successors and assigns of such organizations and Persons shall have any rights whatsoever under the Agent Agreement, except that the Bond Insurer shall be a third party beneficiary hereof.

Section 4.02. Agent Agreement in Several Counterparts. This Second Supplemental Agent Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

Section 4.03. Applicable Law. This Second Supplemental Agent Agreement shall be construed and enforced according to the laws of the State of New Jersey.

Section 4.04. Severability of Invalid Provisions. If anyone or more of the covenants, agreements or provisions herein contained shall be held to be illegal or invalid in a final proceeding, then any such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof.

Section 4.05. No Usury. Notwithstanding anything herein, or in the Lease or the 2021 Certificates or otherwise, the Lessee shall have no obligation to pay, and the Owners of the 2021 Certificates shall not charge, interest or charges in the nature of interest that would violate any legally binding limitation on interest rates.

Section 4.06. Notices. Any notices, statements, demands, consents, approvals or other communications required or permitted to be given or to be served upon any party hereto, in connection with the Agent Agreement, shall be in writing and shall be delivered personally sent by a nationally recognized overnight delivery service (which shall be deemed received upon actual receipt by the addressee) or sent by certified or registered United States mail, return receipt requested, and, if so mailed shall be deemed to have been given and received on the second business day after the day it is deposited in the United States Mail, and if given otherwise shall be deemed to have been given on the second business day after the day so mailed, unless mailed outside the State of New Jersey, in which case it shall be deemed to have been given and received on the third business day after the day so mailed. Such notice shall be given to the parties at their following respective addresses or at such other address as either party may hereafter designate to the other party in writing in the manner hereinabove provided:

If to Lessor:                   Municipal Infrastructure Leasing 1 Inc  
  c/o NW Financial Group, LLC  
  10 Exchange Place, 17th Floor  
  Jersey City, New Jersey 07302

If to Lessee:                    The North Hudson Sewerage Authority  
  1600 Adams Street



Hoboken, New Jersey 07030

If to the Agent: TD Bank, N.A.  
2059 Springdale Road  
Cherry Hill, New Jersey 08003

If to Rating Agency: Standard & Poor's Ratings Services  
a division of The McGraw-Hill Companies  
25 Broadway  
New York, New York 10004

Section 4.07. Notice to Securities Depository with Respect Consents. In connection with any notice or other communication to be provided to Owners of Certificates pursuant to the Agent Agreement by the Agent with respect to any consent or other action to be taken by such Owners, the Agent shall establish a record date for such consent or other action and the date by which such consent or other action shall be received or taken ("Return Date") and give the Securities Depository notice of such record date and Return Date not less than fifteen (15) calendar days in advance of such record date, to the extent possible.

Section 4.08. No Personal Recourse. No personal recourse shall be had for any claim based on the Lease, the Agent Agreement or the 2021 Certificates against any member, officer, employee or agent past, present or future, of the Lessor, Lessee or Agent or of any successor body as such, either directly or through the Agent, the Lessor or Lessee, or any such successor body of any of them, all such liability being released as a condition of and as an explicit and material part of the consideration of the parties in entering into and delivering such documents and instruments.

Section 4.09. Headings for Convenience Only. The table of contents and descriptive headings in this Second Supplemental Agent Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 4.10. Survival of Provisions. The obligations of the Agent with respect to matters arising before the termination of the Agent Agreement (including the obligation to pay additional interest or the obligation to indemnify the Agent) shall survive the termination of the Agent Agreement. Any obligations of the Agent with respect to matters arising while it is Agent shall survive its termination or removal.

Section 4.11. Original Agent Agreement. Except as modified or supplemented hereby, the Original Agent Agreement shall remain in full force and effect and is hereby ratified and confirmed without impairment to any pledge, lien or assignment effected thereby.

Section 4.12 Bond Insurance. The provisions in Appendix D hereto are for the benefit of the Bond Insurer and shall remain in full force and effect as if set forth directly in the Agent Agreement or the Lease, as the case may be, for so long as the Policy is in effect or the Bond Insurer is owed any amount in connection therewith regardless of any conflict with the provisions of the Agent Agreement, the Lease, or any other document executed in connection with the 2021 Certificates.

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Agent Agreement to be executed in their respective names by their duly authorized representatives all as of September\_, 2021.

ATTEST

MUNICIPAL INFRASTRUCTURE  
LEASING 1 INC

\_\_\_\_\_

By: \_\_\_\_\_  
Dennis J. Enright  
President

ATTEST

THE NORTH HUDSON SEWERAGE  
AUTHORITY

\_\_\_\_\_

By: \_\_\_\_\_  
Brian Kappock  
Chairman

TD BANK, N.A.

By: \_\_\_\_\_  
Kelly Bekas  
Vice President

APPENDIX A

FORM OF THE 2021 CERTIFICATES

APPENDIX B

FORM OF REQUEST AND AUTHORIZATION

APPENDIX C

FIXED RENT PAYMENT SCHEDULE

<u>Date</u>	<u>Principal Portion</u>	<u>Interest Portion</u>	<u>Total</u>	<u>FYE 1/31 D/S</u>
01/31/2023	-	-	-	
06/01/2023				-
12/01/2023	-			-
01/31/2024	-	-	-	
06/01/2024				-
12/01/2024	-			-
01/31/2025	-	-	-	
06/01/2025				-
12/01/2025	-			-
01/31/2026	-	-	-	
06/01/2026				-
12/01/2026	-			-
01/31/2027	-	-	-	
06/01/2027				-
12/01/2027	-			-
01/31/2028	-	-	-	
06/01/2028				-
12/01/2028	-			-
01/31/2029	-	-	-	
06/01/2029				-
12/01/2029	-			-
01/31/2030	-	-	-	
06/01/2030				-
12/01/2030	-			-
01/31/2031	-	-	-	
06/01/2031				-
12/01/2031	-			-
01/31/2032	-	-	-	
06/01/2032				-
12/01/2032	-			-
Totals:	<u>\$80,000,000</u>	\$	\$	\$

## APPENDIX D

### **BOND INSURER REQUIREMENTS**

**The following provisions shall be deemed to be incorporated into the Agent Agreement as if set forth directly therein and shall govern, notwithstanding anything to the contrary set forth in the Agent Agreement:**

#### Bond Insurer

- (a) The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Fund, if any. Notwithstanding anything to the contrary set forth in the Agent Agreement, amounts on deposit in the Reserve Fund shall be applied solely to the payment of debt service due on Certificates.
- (b) The Bond Insurer shall be deemed to be the sole holder of the Insured 2021 Certificates for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the 2021 Certificates insured by it are entitled to take pursuant to the section or article of the Agent Agreement pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Agent. In furtherance thereof and as a term of the Agent Agreement and each Insured 2021 Certificate, the Agent and each Insured 2021 Certificate holder appoint the Bond Insurer as their agent and attorney-in-fact and agree that the Bond Insurer may at any time during the continuation of any proceeding by or against the Lessor or Lessee under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedes or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Agent and each Insured 2021 Certificate holder delegate and assign to the Bond Insurer, to the fullest extent permitted by law, the rights of the Agent and each Insured 2021 Certificate holder in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the 2021 Certificate holders shall expressly include mandamus.
- (c) The security for the 2021 Certificates shall include a pledge of any agreement with any underlying obligor that is a source of payment for the 2021 Certificates and a default under any such agreement shall constitute an Event of Default under the Agent Agreement.
- (d) The maturity of 2021 Certificates insured by the Bond Insurer shall not be accelerated without the consent of the Bond Insurer and in the event the maturity of the 2021 Certificates is accelerated, the Bond Insurer may elect, in its sole discretion, to pay accelerated principal, and interest accrued on such principal, to the date of acceleration (to the extent unpaid by the Lessee) and the Agent shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the

acceleration date as provided above, the Bond Insurer's obligations under the Insurance Policy with respect to such 2021 Certificates shall be fully discharged.

- (e) No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Bond Insurer. No grace period shall be permitted for payment defaults.
- (f) The Bond Insurer shall be included as a third party beneficiary to the Agent Agreement.
- (g) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of 2021 Certificates to be redeemed shall be subject to the approval of the Bond Insurer. The exercise of any provision of the Agent Agreement which permits the purchase of 2021 Certificates in lieu of redemption shall require the prior written approval of the Bond Insurer if any Bond so purchased is not cancelled upon purchase.
- (h) Any amendment, supplement, modification to, or waiver of, the Agent Agreement, Head Lease, Master Lease or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Certificate holders or adversely affects the rights and interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer.
- (i) The rights granted to the Bond Insurer under the Agent Agreement or any other Related Document to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the 2021 Certificate holders and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the Certificate holders or any other person is required in addition to the consent of the Bond Insurer.
- (j) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Bond Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Bond Insurer, securities eligible for "AAA" defeasance under then existing criteria of S & P or any combination thereof, shall be used to effect defeasance of the 2021 Certificates unless the Bond Insurer otherwise approves.

To accomplish defeasance, the Lessee shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Bond Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the 2021 Certificates in full on the maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Bond Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the 2021 Certificates are no longer "Outstanding" under the Agent Agreement and (iv) a certificate of discharge of the Agent

with respect to the 2021 Certificates; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Lessee, Agent and Bond Insurer. The Bond Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

2021 Certificates shall be deemed "Outstanding" under the Agent Agreement unless and until they are in fact paid and retired or the above criteria are met.

- (k) Amounts paid by the Bond Insurer under the Insurance Policy shall not be deemed paid for purposes of the Agent Agreement and the 2021 Certificates relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Lessee in accordance with the Agent Agreement. The Agent Agreement shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.
- (l) Each of the Lessee and Agent covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.
- (m) Claims Upon the Insurance Policy and Payments by and to the Bond Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Agent, after making all transfers and deposits required under the Agent Agreement, moneys sufficient to pay the principal of and interest on the 2021 Certificates due on such Payment Date, the Agent shall give notice to the Bond Insurer and to its designated agent (if any) (the "Bond Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the 2021 Certificates due on such Payment Date, the Agent shall make a claim under the Insurance Policy and give notice to the Bond Insurer and the Bond Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the 2021 Certificates and the amount required to pay principal of the 2021 Certificates, confirmed in writing to the Bond Insurer and the Bond Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Agent shall designate any portion of payment of principal on 2021 Certificates paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of 2021 Certificates registered to the then current 2021 Certificate holder, whether DTC or its nominee or otherwise, and shall issue a replacement Certificate to the Bond Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Agent's failure to so designate any payment or issue any replacement 2021 Certificate shall have no effect on the amount of principal or interest payable by the Lessee on any 2021 Certificate or the subrogation rights of the Bond Insurer.



The Agent shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any 2021 Certificate. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Agent.

Upon payment of a claim under the Insurance Policy, the Agent shall establish a separate special purpose trust account for the benefit of 2021 Certificate holders referred to herein as the "Policy Payments Account" and over which the Agent shall have exclusive control and sole right of withdrawal. The Agent shall receive any amount paid under the Insurance Policy in trust on behalf of 2021 Certificate holders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Agent to 2021 Certificate holders in the same manner as principal and interest payments are to be made with respect to the 2021 Certificates under the sections hereof regarding payment of 2021 Certificates. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Lessee agrees to pay to the Bond Insurer (i) a sum equal to the total of all amounts paid by the Bond Insurer under the Insurance Policy (the "Bond Insurer Advances"); and (ii) interest on such Bond Insurer Advances from the date paid by the Bond Insurer until payment thereof in full, payable to the Bond Insurer at the Late Payment Rate per annum (collectively, the "Bond Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the 2021 Certificates and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Lessee hereby covenants and agrees that the Bond Insurer Reimbursement Amounts are secured by a lien on and pledge of the Gross Revenue and payable from such Gross Revenue on a parity with debt service due on the 2021 Certificates.

Funds held in the Policy Payments Account shall not be invested by the Agent and may not be applied to satisfy any costs, expenses or liabilities of the Agent. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Bond Insurer.

- (n) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the 2021 Certificates, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Lessee to the Bond Insurer under the Related Documents shall survive discharge or termination of such Related Documents.
- (o) The Lessee shall pay or reimburse the Bond Insurer any and all charges, fees, costs and expenses that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Agent Agreement or any

other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Agent Agreement or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Agent Agreement or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Agent Agreement or any other Related Document.

- (p) After payment of reasonable expenses of the Agent, the application of funds realized upon default shall be applied to the payment of expenses of the Lessee or rebate only after the payment of past due and current debt service on the 2021 Certificates and amounts required to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement.
- (q) The Bond Insurer shall be entitled to pay principal or interest on the 2021 Certificates that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Lessee (as such terms are defined in the Insurance Policy) and any amounts due on the 2021 Certificates as a result of acceleration of the maturity thereof, whether or not the Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.
- (r) The notice address of the Bond Insurer is: Assured Guaranty Municipal Corp., 1633 Broadway, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. \_\_, Telephone: (212) 974-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."
- (s) The Bond Insurer shall be provided with the following information by the Lessee or Agent, as the case may be:
  - (i) Annual audited financial statements within 210 days after the end of the Lessee's fiscal year (together with a certification of the Lessee that it is not aware of any default or Event of Default under the Agent Agreement), and the Lessee's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Bond Insurer shall reasonably request from time to time;
  - (ii) Notice of any draw upon the Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Reserve Fund Requirement and (ii) withdrawals in connection with a refunding of 2021 Certificates;
  - (iii) Notice of any default known to the Agent or Lessee within five Business Days after knowledge thereof;
  - (iv) Prior notice of the advance refunding or redemption of any of the 2021 Certificates, including the principal amount, maturities and CUSIP numbers thereof;

- (v) Notice of the resignation or removal of the Agent and the appointment of, and acceptance of duties by, any successor thereto;
- (vi) Notice of the commencement of any proceeding by or against the Lessee or Lessor commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");
- (vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the 2021 Certificates;
- (viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and
- (ix) All reports, notices and correspondence to be delivered to 2021 Certificate holders under the terms of the Related Documents.

In addition, to the extent that the Lessee has entered into a continuing disclosure agreement, covenant or undertaking with respect to the 2021 Certificates, all information furnished pursuant to such agreements shall also be provided to the Bond Insurer, simultaneously with the furnishing of such information.

- (t) The Bond Insurer shall have the right to receive such additional information as it may reasonably request.
- (u) The Lessee will permit the Bond Insurer to discuss the affairs, finances and accounts of the Lessee or any information the Bond Insurer may reasonably request regarding the security for the 2021 Certificates with appropriate officers of the Lessee and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the Lessee on any business day upon reasonable prior notice.
- (v) The Lessee shall notify the Bond Insurer of any failure of the Lessee to provide notices, certificates and other information under the transaction documents.
- (w) Notwithstanding satisfaction of the other conditions to the issuance of Additional Certificates set forth in the Agent Agreement, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Reserve Fund is fully funded at the Reserve Fund Requirement (including the proposed issue) upon the issuance of such Additional Certificates, in either case unless otherwise permitted by the Bond Insurer. In the event Additional Certificates are issued as Variable Rate Certificates, the Bond Insurer shall be entitled to the same rights and remedies that are granted to any Credit Facility Provider to the extent the Agent Agreement does not expressly provide such rights to the Bond Insurer as of the date hereof.
- (x) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Agent Agreement would adversely affect the security for the 2021 Certificates or the rights of the 2021 Certificate holders, the Agent shall

consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

- (y) No contract shall be entered into or any action taken by which the rights of the Bond Insurer or security for or sources of payment of the 2021 Certificates may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer.
- (z) If the 2021 Certificates are issued for refunding purposes, there shall be delivered an opinion of Bond Counsel addressed to the Bond Insurer (or a reliance letter relating thereto), or a certificate of discharge of the Agent for the Refunded Certificates, to the effect that, upon the making of the required deposit to the escrow, the legal defeasance of the Refunded Certificates shall have occurred.

**FORM OF**

**SECOND AMENDMENT TO THE MASTER LEASE AGREEMENT  
BETWEEN MUNICIPAL INFRASTRUCTURE LEASING 1 INC  
AND THE NORTH HUDSON SEWERAGE AUTHORITY DATED  
AS OF MAY 24, 2012**

WHEREAS, The North Hudson Sewerage Authority (the "Authority", and sometimes the "Tenant") has outstanding (i) Gross Revenue Senior Lien Lease Certificates, Series 2012 B (Federally Taxable) authenticated May 24, 2012 and maturing on June 1, 2032 and June 1, 2042 in the aggregate principal amount of \$54,170,000; and (ii) Gross Revenue Senior Lien Lease Certificates, Series 2012 B (Federally Taxable) authenticated August 12, 2016 and maturing on June 1, 2022 in the principal amount of \$425,000 (collectively, the "Prior Obligations");

WHEREAS, with respect to the issuance of the Prior Obligations, the Authority entered into a Master Lease Agreement with Municipal Infrastructure Leasing 1 Inc (the "Landlord", and sometimes the "Lessor") dated as of May 24, 2012, as amended on November 22, 2019 (the "Lease");

WHEREAS, the Authority has determined to refund the Prior Obligations and to provide for the payment of same with the proceeds of Gross Revenue Senior Lien Lease Certificates to be issued in one or more Series in an aggregate amount not exceeding \$80,000,000 (the "Additional Certificates", and sometimes the "2021 Certificates") under and pursuant to an Agent Agreement dated as of May 24, 2012 (the "Original Agent Agreement"), as amended and supplemented by the Supplemental Agent Agreement dated as of November 22, 2019 (the "Supplemental Agent Agreement"), and as further amended and supplemented by the Second Supplemental Agent Agreement dated as of September 28, 2021, by and among the Agent, the Lessor and the Authority (the "Second Supplemental Agent Agreement", together with the Original Agent Agreement and the Supplemental Agent Agreement, the "Agent Agreement");

WHEREAS, with respect to the issuance of the 2021 Certificates, the Authority and the Landlord desire to amend the Lease to incorporate adjusted amounts of Fixed Rent to be paid thereunder;

WHEREAS, Section 1.01 of the Lease reads:

"'Fixed Rent' shall mean the amounts to be paid pursuant to Section 3.01 hereof and as set forth in Schedule 3.01 attached hereto, as the same may be adjusted as provided herein, consisting of a Principal Portion and an Interest Portion, and, upon acceleration or Prepayment of Rent (as defined in the Agent Agreement), shall mean the payment of all or a portion of the Purchase Option Price determined as provided in Sections 3.09 and 3.10 hereto.";

WHEREAS, Section 27.10 of the Lease reads:

"This Lease may be amended from time to time by Landlord and Tenant, for any one or more of the following purposes:

(a) to add additional covenants of Landlord or Tenant or to surrender any right or power herein conferred upon Tenant;

(b) to cure any ambiguity or to cure, correct or supplement any defective (whether because of any inconsistency with any other provision hereof or otherwise) provision of this Lease in such manner as shall not be inconsistent with this Lease or the Agent Agreement; or

(c) to amend any provision of this Lease which, in the written opinion of Special Tax Counsel delivered to Landlord, Tenant and Agent, is no longer required, or to the effect that some further provision is required, to maintain the exclusion from gross income of the owners of the Certificates of the Interest Portion pursuant to Section 103 of the Code, upon which written opinion Landlord, Tenant and Agent may conclusively rely.

All other modifications, changes or amendments hereto shall, inasmuch as the owners from time to time of the Certificates are third-party beneficiaries hereof, also require the approval the owners of the requisite percentages of Certificates, in the manner and on the terms set forth in Section 7.05 of the Agent Agreement relating to certain modifications thereof. Tenant shall provide to Rating Agency copies of any documents to which amendments were made.”; and

WHEREAS, the Authority and the Landlord each desire to amend and restate Schedule 3.01 of the Lease to incorporate the adjusted amounts of Fixed Rent to be paid with respect to the 2021 Certificates.

NOW THEREFORE, in consideration of the mutual covenants, terms and conditions set forth in the Lease, the Authority and the Landlord hereby agree as follows:

Section 1. Effective as of the date hereof, Schedule 3.01 of the Lease is hereby amended and restated as set forth in Appendix A hereto pursuant to Section 27.10(b) of the Lease”.

Section 2. In the event of any inconsistency, ambiguity or conflict between the terms and provisions of this Amendment and the terms and provisions of the Lease, the terms and provisions of this Amendment shall control. The parties hereto acknowledge and agree that except as modified hereby, the Lease shall remain in full force and effect and is hereby ratified and confirmed.

Section 3. This Amendment shall take effect immediately.

[ REMAINDER OF PAGE INTENTIONALLY LEFT BLANK ]

IN WITNESS WHEREOF, the Authority and the Landlord have caused this Amendment to be executed in their respective names by their duly authorized representatives, all as of September 28, 2021.

ATTEST

MUNICIPAL INFRASTRUCTURE  
LEASING 1 INC

\_\_\_\_\_

By: \_\_\_\_\_  
Dennis J. Enright  
President

ATTEST

THE NORTH HUDSON SEWERAGE  
AUTHORITY

\_\_\_\_\_

By: \_\_\_\_\_  
Brian Kappock  
Chairman

ACKNOWLEDGED AND AGREED  
with respect to Sections 3.14 and 3.17  
regarding the duties and obligations of  
the Security Agent Bank

TD BANK, N.A.  
1006 Astoria Boulevard  
Cherry Hill, New Jersey 08034

\_\_\_\_\_  
Kelly Bekas  
Vice President

Appendix A

Schedule 3.01

Adjusted Fixed Rent



**PRELIMINARY OFFICIAL STATEMENT DATED AUGUST \_\_, 2021**

**NEW ISSUE – BOOK-ENTRY ONLY**

**Ratings: S&P (Underlying): [A+]  
S&P (Insured): [AA]  
(See "RATINGS" herein.)**

In the opinion of JP Capizzi LLC, Special Counsel to the Authority (as hereinafter defined), to be delivered at the time of original issuance of the 2021 Certificates (as hereinafter defined), assuming continuing compliance by the Authority with certain covenants described herein, under current law, interest on the 2021 Certificates is exempt from federal income taxation and not includable when calculating the federal alternative minimum tax. Interest on the 2021 Certificates, and any gain from the sale thereof, is not includable in gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

**[\$55,655,000]**

**GROSS REVENUE SENIOR LIEN LEASE CERTIFICATES, SERIES 2021  
Evidencing Proportionate Interests of the Owners Thereof in the Fixed Rent Payments of  
THE NORTH HUDSON SEWERAGE AUTHORITY  
due under its Master Lease Agreement**

**Dated: Date of Delivery**

**Due: June 1, as shown on inside front cover**

The \$[55,655,000] Gross Revenue Senior Lien Lease Certificates, Series 2021 (the "*2021 Certificates*") represent proportionate interests in the Fixed Rent (as defined herein) payable by The North Hudson Sewerage Authority (the "*Authority*") pursuant to the Master Lease Agreement, dated as of May 24, 2012 (the "*Original Lease*"), by and between the Authority and Municipal Infrastructure Leasing 1 Inc, a New Jersey corporation (the "*Lessor*"), as amended and supplemented, including by the Second Amendment to the Master Lease Agreement, dated as of September \_\_, 2021 (the "*Amendment to Master Lease*"; and together with the Original Lease, the "*Lease*"), by and between the Authority and the Lessor. The 2021 Certificates are being issued to: (i) currently refund and redeem a portion of the Authority's outstanding Gross Revenue Senior Lien Lease Certificates, Series 2012 B (Federally Taxable) (the "*Prior Certificates*"); and (ii) pay costs of issuance associated with the authorization, sale, execution and delivery of the 2021 Certificates. The 2021 Certificates are being issued pursuant to the Agent Agreement, dated as of May 24, 2012 (the "*Original Agent Agreement*"), by and among the Authority, the Lessor and TD Bank, National Association (as successor to The Bank of New York Mellon), as Agent (the "*Agent*"), as amended and supplemented, including by the Second Supplemental Agent Agreement, dated as of September \_\_, 2021 (the "*Supplemental Agent Agreement*"; and together with the Original Agent Agreement, the "*Agent Agreement*"), by and among the Authority, the Lessor and the Agent. Pursuant to the Agent Agreement, the Lessor has irrevocably assigned its right to receive Fixed Rent and certain other rights to the Agent for the benefit of the owners of the 2021 Certificates. The payment of Fixed Rent constitutes an absolute and unconditional obligation of the Authority payable from any source, including the Authority's Gross Revenues (as defined herein), and is not subject to any set-off or counterclaim and, in order to be paid, does not need any further action or appropriation by the Authority.

The Interest Portion of Fixed Rent represented by the 2021 Certificates is payable semiannually on June 1 and December 1 of each year (each, an "*Interest Payment Date*"), commencing on December 1, 2021, until the Authority's obligation with respect to the payment of the 2021 Certificates is discharged. The 2021 Certificates will be issued as fully registered Certificates and, when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("*DTC*"), an automated depository for securities and clearinghouse for securities transactions. Purchases of beneficial interests in the 2021 Certificates will be made in book-entry form (without certificates) in the denomination of \$5,000 or any integral multiple thereof. So long as DTC or its nominee, Cede & Co., is the registered owner of the 2021 Certificates, payments of the principal of and interest on the 2021 Certificates will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants (as hereinafter defined), which will in turn remit such payments to the beneficial owners of the 2021 Certificates. See "THE 2021 CERTIFICATES – Book-Entry Only System" herein.

[The 2021 Certificates are subject to optional redemption as more fully described under "THE 2021 CERTIFICATES – Optional Redemption" herein.]

Prior to the issuance of the 2021 Certificates, the Authority will execute and deliver a Secondary Market Disclosure Undertaking for the benefit of the holders of the 2021 Certificates to comply with the secondary market disclosure requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission. See "APPENDIX E – FORM OF SECONDARY MARKET DISCLOSURE UNDERTAKING" herein.

PAYMENT OF THE PRINCIPAL PORTION OR REDEMPTION PRICE OF THE 2021 CERTIFICATES AND THE INTEREST PORTION THEREON SHALL BE SECURED BY AND ARE PAYABLE FROM FIXED RENT PAYMENTS TO BE MADE BY THE AUTHORITY. THE 2021 CERTIFICATES ARE NOT AND SHALL NOT BE DEEMED TO CREATE A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR ANY POLITICAL SUBDIVISION THEREOF AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE STATE OF NEW JERSEY OR ANY POLITICAL SUBDIVISION THEREOF. THE AUTHORITY HAS NO TAXING POWER.

The scheduled payment of principal of and interest on the 2021 Certificates, when due, will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2021 Certificates by ASSURED GUARANTY MUNICIPAL CORP. See "CERTIFICATE INSURANCE" and "APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" herein.

[AGM LOGO]

The 2021 Certificates are offered when, as and if issued, delivered and received by the Underwriter (as defined herein), subject to the receipt of an approving legal opinion described herein of JP Capizzi LLC, West New York, New Jersey, Special Counsel to the Authority, and certain other conditions. Certain legal matters will be passed upon for the Authority by JP Capizzi LLC, West New York, New Jersey, General Counsel to the Authority, for the Underwriter by its counsel, McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, and for the Agent by its counsel, Gibbons P.C., Newark, New Jersey. It is expected that the 2021 Certificates will be available for delivery through the facilities of DTC on or about September \_\_, 2021.

Dated: September \_\_, 2021

**[\$55,655,000]**  
**GROSS REVENUE SENIOR LIEN LEASE CERTIFICATES, SERIES 2021**  
**Evidencing Proportionate Interests of the Owners Thereof in the Fixed Rent Payments of**  
**THE NORTH HUDSON SEWERAGE AUTHORITY**  
**due under its Master Lease Agreement**

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, PRICES AND CUSIP NUMBERS<sup>†</sup>**

<u>Maturity Date (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP Number</u>
2022	\$	%	%	%	660043
2023					660043
2024					660043
2025					660043
2026					660043
2027					660043
2028					660043
2029					660043
2030					660043
2031					660043
2032					660043
2033					660043
2034					660043
2035					660043
2036					660043
2037					660043
2038					660043
2039					660043
2040					660043
2041					660043
2042					660043

<sup>†</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. CUSIP numbers have been assigned by an independent company not affiliated with the Authority or the Underwriter and are included solely for the convenience of the holders of the 2021 Certificates. Neither the Authority nor the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the 2021 Certificates or as indicated above. The CUSIP number for a specific maturity is subject to being changed after execution and delivery of the 2021 Certificates as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the 2021 Certificates.

(RED HERRING – FOR LEFT MARGIN)

This is a Preliminary Official Statement and the information contained herein is subject to completion and amendment in a final Official Statement. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the securities offered hereby, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

**THE NORTH HUDSON SEWERAGE AUTHORITY**

Hoboken, New Jersey

**AUTHORITY COMMISSIONERS**

<i>Name</i>	<i>Municipality</i>
Brian Kappock, Chairman	Weehawken
Libero Marotta, Vice Chairman	Union City
Kurt Gardiner, Treasurer	Hoboken
Erika White, Assistant Treasurer	Weehawken
Alejandro Velazquez, Secretary	Union City
Edward Friedrich, Assistant Secretary	Hoboken
Anthony Soares	Hoboken
Margarita Guzman	West New York
Victor M. Barrera	West New York

**EXECUTIVE DIRECTOR**

RICHARD J. WOLFF, PH.D.

**AUTHORITY ENGINEER**

FREDRIC J. POCCHI, P.E.

**CHIEF FINANCIAL OFFICER**

LINDA P. KISH

**AUTHORITY GENERAL COUNSEL**

JP CAPIZZI LLC  
West New York, New Jersey

**SPECIAL COUNSEL**

JP CAPIZZI LLC  
West New York, New Jersey

**MUNICIPAL ADVISOR**

NW FINANCIAL GROUP, LLC  
Hoboken, New Jersey

**RATE CONSULTANT**

AMAWALK CONSULTING GROUP LLC  
New York, New York

**AUDITOR**

GARBARINI & CO. P.C.  
Carlstadt, New Jersey

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations with respect to the 2021 Certificates must not be relied upon as having been authorized by the Authority, the Lessor or Barclays Capital Inc. (the "*Underwriter*"). This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2021 Certificates by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

None of the Lessor, the Authority or the Underwriter has confirmed the accuracy or completeness of the information relating to The Depository Trust Company ("*DTC*"), which information has been provided by DTC. Where the Constitution or statutes of the State of New Jersey are referred to herein, reference should be made to such Constitution and statutes for a complete statement of the matters referred to herein. This Official Statement is submitted in connection with the sale of the 2021 Certificates referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

This Official Statement is not to be construed as a contract or an agreement among the Authority, the Underwriter and the owners of any of the 2021 Certificates. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof or the date as of which particular information is given, if earlier.

The prices at which 2021 Certificates are offered to the public by the Underwriter (and the yields resulting therefrom) may vary from the initial public offering prices or yields appearing on the inside front cover page hereof. In addition, the Underwriter may allow concessions or discounts from such initial public offering prices or yields to dealers and others. In order to facilitate distribution of the 2021 Certificates, the Underwriter may engage in transactions intended to stabilize the price of the 2021 Certificates at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

Except as described under the heading "FINANCIAL STATEMENTS", Garbarini & Co. P.C., Auditor to the Authority, has not participated in the review or preparation of this Official Statement and has not verified the accuracy or completeness thereof and, accordingly, expresses no opinion or other assurance or assumes any responsibility with respect thereto.

The Agent and its counsel have not participated in the preparation of this Official Statement other than under the heading entitled "AGENT". Neither the Agent nor its counsel make any representation as to the accuracy or completeness of this Official Statement other than as to the information contained under the aforementioned heading.

Assured Guaranty Municipal Corp. ("*AGM*") makes no representation regarding the 2021 Certificates or the advisability of investing in the 2021 Certificates. In addition, AGM has not independently verified, makes no representation regarding and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the headings "CERTIFICATE INSURANCE" and "APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

## TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTION .....	1
PLAN OF FINANCING .....	2
THE 2021 CERTIFICATES .....	2
General Provisions .....	2
Optional Redemption .....	3
Selection of 2021 Certificates for Redemption .....	3
Notice of Redemption .....	3
Book-Entry Only System .....	4
Discontinuance of Book-Entry Only System .....	6
Additional Certificates .....	6
CERTIFICATE INSURANCE .....	7
Bond Insurance Policy .....	7
Assured Guaranty Municipal Corp .....	7
SECURITY AND SOURCES OF PAYMENT FOR THE LEASE CERTIFICATES .....	9
General .....	9
Pledge of Gross Revenues .....	10
Rate Covenant .....	10
Funds and Accounts Established Under Agent Agreement .....	12
Funds and Accounts Established Under Lease .....	12
Obligations Under Service Agreement .....	14
Service Charges and Annual Charges .....	14
Compliance with Service Agreement and Enforcement of Revenues .....	15
THE SYSTEM .....	16
THE LESSOR .....	16
ESTIMATED SOURCES AND USES OF FUNDS .....	16
FIXED RENT PAYMENTS .....	17
CERTIFICATE OWNERS' RISKS .....	17
Limited Obligation of the Authority .....	17
Event of Default .....	18
Limited Utility of System .....	18
Secondary Market .....	18
Enforceability of Authority's Obligations Under United States Bankruptcy Code .....	19
FINANCIAL STATEMENTS .....	19
AGENT .....	19
SECONDARY MARKET DISCLOSURE .....	19
RATINGS .....	20
TAX MATTERS .....	20
Federal .....	20
State .....	22
UNDERWRITING .....	22
MUNICIPAL ADVISOR .....	22
VERIFICATION OF MATHEMATICAL ACCURACY .....	22
LITIGATION .....	23
APPROVAL OF LEGAL PROCEEDINGS .....	23
MISCELLANEOUS .....	23
Appendix A — Certain Information Concerning the Authority and the Municipalities .....	A-1
Appendix B — Financial Statements of the Authority .....	B-1
Appendix C — Forms of Lease and Agent Agreement .....	C-1
Appendix D — Form of Opinion of Special Counsel .....	D-1
Appendix E — Form of Secondary Market Disclosure Undertaking .....	E-1
Appendix F — Specimen Municipal Bond Insurance Policy .....	F-1
Appendix G — Certificates to be Refunded .....	G-1

## OFFICIAL STATEMENT

Relating to  
\$[55,655,000]

**GROSS REVENUE SENIOR LIEN LEASE CERTIFICATES, SERIES 2021**  
**Evidencing Proportionate Interests of the Owners Thereof in the Fixed Rent Payments of**  
**THE NORTH HUDSON SEWERAGE AUTHORITY**  
**due under its Master Lease Agreement**

### INTRODUCTION

The purpose of this Official Statement, including the cover page, the preceding pages and the appendices hereto, is to set forth certain information concerning The North Hudson Sewerage Authority, a sewerage authority of the State of New Jersey (the "*Authority*"), in connection with the offering, sale and delivery of its Gross Revenue Senior Lien Lease Certificates, Series 2021, being issued in the aggregate principal amount of \$[55,655,000] (the "*2021 Certificates*") pursuant to an Agent Agreement, dated as of May 24, 2012 (the "*Original Agent Agreement*"), by and among the Authority, Municipal Infrastructure Leasing 1 Inc, a New Jersey corporation (the "*Lessor*"), and TD Bank, National Association (as successor to The Bank of New York Mellon), as Agent (the "*Agent*"), as amended and supplemented, including by the Second Supplemental Agent Agreement, dated as of [September 28, 2021] (the "*Supplemental Agent Agreement*"); and together with the Original Agent Agreement, the "*Agent Agreement*"), by and among the Authority, the Lessor and the Agent.

The 2021 Certificates represent proportionate interests of the owners thereof (the "*Owners*") in the Principal Portion of the Fixed Rent, as such amounts are denominated in the Lease ("*Fixed Rent*"), due and payable on the maturity or other due dates thereof, and in the Interest Portion of the Fixed Rent due and payable semiannually, pursuant to the Master Lease Agreement, dated as of May 24, 2012 (the "*Original Lease*"), by and between the Authority and the Lessor, as amended and supplemented, including by the Second Amendment to the Master Lease Agreement, dated as of [September 28, 2021] (the "*Amendment to Master Lease*"; and together with the Original Lease, the "*Lease*"), by and between the Authority and the Lessor. The 2021 Certificates are being issued to: (i) currently refund and redeem a portion of the Authority's outstanding Gross Revenue Senior Lien Lease Certificates, Series 2012 B (Federally Taxable) (the "*Prior Certificates*"); and (ii) pay costs of issuance associated with the authorization, sale, execution and delivery of the 2021 Certificates. Pursuant to the Agent Agreement, the Lessor's rights under the Lease, including particularly the right to receive Fixed Rent, have been irrevocably assigned to the Agent for the benefit of the Owners of the 2021 Certificates. The payment of Fixed Rent constitutes an absolute and unconditional obligation of the Authority payable from any source, including the Authority's Gross Revenues (as hereinafter defined), and is not subject to any set-off or counterclaim and, in order to be paid, does not need any further action or appropriation by the Authority. The 2021 Certificates and any Additional Certificates are hereinafter collectively referred to as the "*Lease Certificates*". See "APPENDIX C – FORMS OF LEASE AND AGENT AGREEMENT" for complete copies of the forms of the Lease and the Agent Agreement. See also "PLAN OF FINANCING", "SECURITY AND SOURCES OF PAYMENT FOR THE LEASE CERTIFICATES" and "ESTIMATED SOURCES AND USES OF FUNDS" herein. Any capitalized term used but not otherwise defined herein shall have the meanings ascribed thereto in the Lease or in the Agent Agreement, as the case may be.





## PLAN OF FINANCING

The Authority is authorized to enter into the Lease and the transactions contemplated thereby pursuant to (i) the provisions of the Sewerage Authorities Law, constituting Chapter 138 of the Laws of 1946, as amended and supplemented (the "*Act*"), and (ii) a resolution of the Authority duly adopted on August 19, 2021 (the "*Award Resolution*").

Upon the issuance and delivery of the 2021 Certificates, the Lessor will enter into the Supplemental Agent Agreement with the Agent and the Authority. The 2021 Certificates are being issued to: (i) refund the Prior Certificates as more fully described in APPENDIX G to this Official Statement (collectively, the "*Certificates to be Refunded*"); and (ii) pay costs of issuance associated with the authorization, sale, execution and delivery of the 2021 Certificates. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Simultaneously with the issuance of the 2021 Certificates, a portion of the proceeds of the 2021 Certificates and other available funds of the Authority will be applied by the Agent to refund the Prior Certificates. Such proceeds and other available funds will be sufficient to pay the principal or Redemption Price of and interest on the Certificates to be Refunded. At such time, the Certificates to be Refunded shall be redeemed and paid and shall no longer be deemed to be "Outstanding" under, or entitled to the benefits of, the Agent Agreement. See "VERIFICATION OF MATHEMATICAL ACCURACY" herein.

Contemporaneously with the issuance of the Prior Certificates, (a) the Authority entered into a lease agreement, dated as of May 24, 2012 (the "*Head Lease Agreement*"), with the Lessor pursuant to which the System was leased to the Lessor, and (b) the Lessor and the Authority entered into the Original Lease. The Original Lease set forth the terms and conditions governing the leasing of the System and the obligation of the Authority to pay Rent to the Lessor, which Rent consists of Fixed Rent and Additional Rent. The Lease contains an option to prepay Fixed Rent in whole or in part, which option may be exercised by the Authority during the term of the Lease under certain conditions. See Sections 3.09 and 3.10 of the Original Lease set forth in "APPENDIX C – FORMS OF LEASE AND AGENT AGREEMENT" herein. Fixed Rent consists of a Principal Portion and an Interest Portion due under the Lease. Additional Rent consists of all other amounts that may become payable by the Authority from time to time as required under the Lease, excluding Operating Expenses for the System.

Pursuant to the Agent Agreement, the Lessor has assigned, *inter alia*, certain of its rights under the Lease, including the right to receive payments due from the Authority under the Lease, to the Agent for the benefit of the Owners to secure the 2021 Certificates. See "SECURITY AND SOURCES OF PAYMENT FOR THE LEASE CERTIFICATES" herein.

## THE 2021 CERTIFICATES

### General Provisions

The 2021 Certificates will be executed and delivered by the Agent pursuant to the Agent Agreement. The 2021 Certificates will be dated the date of delivery thereof. The Interest Portion of Fixed Rent represented by the 2021 Certificates, computed at the rates set forth on the inside front cover page hereof, is initially payable on December 1, 2021 and semiannually thereafter on June 1 and December 1 of each year (each, an "*Interest Payment Date*"). Such interest will be paid by check or wire transfer of the Agent mailed or delivered to the Owners of record at the addresses shown on the registration books maintained by the Agent, as registrar (the "*Registrar*"), on the fifteenth day of the month, whether or not a Business Day, immediately preceding the Interest Payment Date applicable

thereto (the "*Record Date*"). The Principal Portion of Fixed Rent represented by the 2021 Certificates will be payable on the dates and in the amounts set forth on the inside front cover page hereof (or upon redemption or acceleration) upon physical surrender of the 2021 Certificates at the corporate trust office of the Agent located in Cherry Hill, New Jersey. See "THE 2021 CERTIFICATES – Book-Entry Only System" herein. [The 2021 Certificates are subject to optional redemption prior to maturity as described herein. See "THE 2021 CERTIFICATES – Optional Redemption" herein.]

The 2021 Certificates, when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("*DTC*"), which will act as securities depository for the 2021 Certificates. Purchases of beneficial ownership interests in the 2021 Certificates will be made in book-entry form (without certificates) in denominations of \$5,000 or any integral multiple thereof. So long as DTC or its nominee, Cede & Co., is the Owner of the 2021 Certificates, payments of the principal of and interest on the 2021 Certificates will be made by the Agent directly to DTC or its nominee, Cede & Co. Disbursement of such payments to the Direct Participants (as hereinafter defined) is the responsibility of DTC and disbursement of such payments to the owners of beneficial interests in the 2021 Certificates is the responsibility of the DTC Participants and the Indirect Participants (as hereinafter defined). See "THE 2021 CERTIFICATES – Book-Entry Only System" herein.

### **Optional Redemption [TBD]**

#### **Selection of 2021 Certificates for Redemption**

If less than all of the 2021 Certificates are called for optional redemption, the Agent shall select such 2021 Certificates or portions thereof in such order of maturity and within a maturity by lot, as shall be determined by the Authority and communicated to the Agent in writing not less than 60 days prior to such Redemption Date.

While DTC is the sole registered owner of the 2021 Certificates, such selection shall be made by DTC in accordance with the process then employed and adopted by DTC and as described in the Agent Agreement. The Authority shall only select 2021 Certificates in Authorized Denominations and any additional amounts available shall be transferred to the Interest Account and credited to the next Fixed Rent Payment due under the Lease in the appropriate account in the Certificate Fund.

#### **Notice of Redemption**

A notice of redemption (the "*Notice of Redemption*") shall be given by the Agent by first class mail, return receipt requested, not more than 60 days and not less than 30 days before the date of redemption to each Owner of 2021 Certificates to be prepaid, in whole or in part, at each such Owner's address shown on the registration books.

If, on the Redemption Date, moneys for the redemption of all the 2021 Certificates or portions thereof of any like series and maturity to be prepaid, together with interest thereon to the Redemption Date, shall be held by the Agent so as to be available therefor on said date and if Notice of Redemption shall have been given as aforesaid, then, from and after the Redemption Date, interest on the 2021 Certificates or portions thereof of such series and maturity so called for redemption shall cease to accrue and become payable. Notwithstanding the above, if said moneys shall not be so available on the Redemption Date, such Notice of Redemption shall be rescinded by the Agent and shall be deemed to be null and void as if never given, and such 2021 Certificates or portions thereof shall continue to bear interest until paid at maturity at the same rate as they would have borne had they not been called for redemption.

If at the time of mailing of any Notice of Redemption there shall not have been deposited with the Agent amounts sufficient to redeem all of the 2021 Certificates that have been called for redemption, such notice shall state that it is conditional upon the deposit of such amounts with the Agent not later than the opening of business on the date set for redemption, and that such notice shall be of no effect unless such moneys are so deposited.

So long as DTC remains the sole registered owner of the 2021 Certificates, the Agent shall be required only to send the Notice of Redemption to DTC at the time and in the manner specified in the Agent Agreement and in accordance with the procedures of DTC. Any failure by DTC to advise any of the Participants or any failure of any Participant to notify any Beneficial Owner of any such Notice of Redemption shall not affect the validity of the redemption.

### **Book-Entry Only System**

DTC will act as securities depository for the 2021 Certificates. The 2021 Certificates will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each maturity of each series of the 2021 Certificates, as set forth on the inside front cover page hereof, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides assets servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates post-trade settlement among Direct Participants of sales and other securities transactions, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "*SEC*"). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the 2021 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2021 Certificates on DTC's records. The ownership interest of each actual purchaser of each 2021 Certificate ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2021 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive

certificates representing their ownership interests in the 2021 Certificates, except in the event that use of the book-entry system for the 2021 Certificates is discontinued.

To facilitate subsequent transfers, all 2021 Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the 2021 Certificates with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2021 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2021 Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2021 Certificates are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the 2021 Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority or the Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2021 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the 2021 Certificates will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC). DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Agent or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of prepayment proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2021 Certificates at any time by giving reasonable notice to the Authority or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, certificates for the 2021 Certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the 2021 Certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but neither the Underwriter (as hereinafter defined) nor the Authority takes any responsibility for the accuracy thereof.

### **Discontinuance of Book-Entry Only System**

In the event (i) DTC determines not to continue to act as securities depository for the 2021 Certificates or (ii) the Authority, with the consent of the Trustee, determines in accordance with the terms of the Agent Agreement that (a) DTC is incapable of discharging its duties or (b) it is in the best interests of the holders of the 2021 Certificates not to continue the book-entry-only system or that interests of the Beneficial Owners of the 2021 Certificates might be adversely affected if the book-entry-only system is continued, then the Authority will discontinue the book-entry-only system with DTC. Upon the occurrence of the event described in (i) or (ii)(a) above, the Authority will attempt to locate another qualified securities depository. If the Authority fails to identify another qualified securities depository to replace DTC or makes the determination noted in (ii)(b) above, the Trustee will authenticate and deliver the 2021 Certificates in accordance with the agent Agreement.

### **Additional Certificates**

Provided no Event of Default shall exist under the Agent Agreement and no Event of Lease Default shall exist, after the execution and the delivery of the 2021 Certificates, Additional Certificates may be authorized to be issued, executed and delivered and secured on parity with the 2021 Certificates pursuant to and in accordance with the Agent Agreement for the purpose of raising funds (i) to complete the acquisition of the System for which the Prior Certificates were originally issued, (ii) to finance an Additional Project, (iii) to refund any of the Lease Certificates issued pursuant to the Agent Agreement, including the 2021 Certificates, (iv) to fund any reserves and (v) to pay costs of issuance in connection therewith. Additional Certificates only may be executed and delivered if the Authority delivers a certificate duly executed by the Rate Consultant setting forth (i) its estimate of the Operating Expenses and Gross Revenues for each of the five Fiscal Years immediately succeeding the completion of the improvement financed by such Additional Certificates, calculated on the assumption that Gross Revenues shall be charged and collected at the rates in effect on the date of such Rate Consultant certificate or such higher rate as the Authority has adopted to impose for such Fiscal Years, (ii) 1.15 times the Annual Debt Service Requirement for each such Fiscal Year, (iii) 1.10 times the sum of (a) the Annual Debt Service Requirement for each such Fiscal Year and (b) the annual debt service requirement on all Subordinated Debt for each such Fiscal Year, and (iv) the Rate Consultant's forecast that the amount of such Gross Revenues (less any amounts transferred from the Revenue Fund to the Rent Stabilization Account in such Fiscal Year) will not be less than the Rate Covenant Requirement for each Fiscal Year during the five Fiscal Year period immediately succeeding the completion of the improvement. However, for Additional Certificates for the purpose described in clause (iii) above for which there are debt service savings, (i) the Authority must deliver only a certificate of the Rate Consultant to the effect that the maximum annual debt service will be less in each year after the issuance of the Additional Certificates and (ii) the terms and conditions set forth in Article IX of the Original Agent Agreement have been satisfied with respect to the Lease Certificates to be refunded. Nothing in the Agent Agreement or the Lease precludes the Authority from issuing Subordinate Debt. See "APPENDIX C – FORMS OF LEASE AND AGENT AGREEMENT" for complete forms of the Lease and the Agent Agreement.

## CERTIFICATE INSURANCE

### ***Bond Insurance Policy***

Concurrently with the issuance of the 2021 Certificates, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the 2021 Certificates (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the 2021 Certificates when due as set forth in the form of the Policy included as APPENDIX F to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

### ***Assured Guaranty Municipal Corp.***

AGM is a New York-domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

### ***Current Financial Strength Ratings***

On July 8, 2021, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On October 29, 2020, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On August 13, 2019, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

#### *Capitalization of AGM*

At June 30, 2021:

- The policyholders' surplus of AGM was approximately \$2,943 million.
- The contingency reserve of AGM was approximately \$947 million.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$2,137 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, and (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly-owned subsidiaries Assured Guaranty UK Limited ("*AGUK*") and Assured Guaranty (Europe) SA ("*AGE*").

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

#### *Merger of MAC into AGM*

On April 1, 2021, Municipal Assurance Corp. ("*MAC*") was merged into AGM, with AGM as the surviving company. Prior to that merger transaction, MAC was an indirect subsidiary of AGM (which indirectly owned 60.7% of MAC) and AGM's affiliate, Assured Guaranty Corp., a Maryland-domiciled insurance company ("*AGC*") (which indirectly owned 39.3% of MAC). In connection with the merger transaction, AGM and AGC each reassumed the remaining outstanding par they ceded to MAC in 2013, and AGC sold its indirect share of MAC to AGM. All of MAC's direct insured par exposures have become insured obligations of AGM.

#### *Incorporation of Certain Documents by Reference*

Portions of the following documents filed by AGL with the SEC that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (filed by AGL with the SEC on February 26, 2021);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021 (filed by AGL with the SEC on May 7, 2021); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021 (filed by AGL with the SEC on August 6, 2021).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the 2021 Certificates

shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com> or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "CERTIFICATE INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "*AGM Information*") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

#### *Miscellaneous Matters*

AGM makes no representation regarding the 2021 Certificates or the advisability of investing in the 2021 Certificates. In addition, AGM has not independently verified, makes no representation regarding and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "CERTIFICATE INSURANCE".

## **SECURITY AND SOURCES OF PAYMENT FOR THE LEASE CERTIFICATES**

### **General**

The Lease Certificates constitute participatory interests in the Fixed Rent to be paid by the Authority pursuant to the Lease. Under the terms of the Agent Agreement, the Lessor has assigned, conveyed and transferred to the Agent for the benefit of the Owners of the Lease Certificates its rights in and to the Fixed Rent (and any other amounts received under the Lease) and any and all amounts in the Funds and Accounts established under the Agent Agreement (other than the Rebate Fund and the Certificate Purchase Fund) in order to pay the principal of and interest on the Lease Certificates.

Payments of Fixed Rent will be made by the Authority pursuant to the Lease. Fixed Rent will be comprised of an Interest Portion and a Principal Portion. The Interest Portion and Principal Portions of the Fixed Rent will correspond, in the aggregate, to the principal of and interest on the Lease Certificates, including the 2021 Certificates. The payment of Fixed Rent constitutes an absolute and unconditional obligation of the Authority payable from any source, including the Authority's Gross Revenues, and is not subject to any set-off or counterclaim and, in order to be paid, does not need any further action or appropriation by the Authority.

In order to secure the payment of the Fixed Rent under the Lease, the Authority has pledged and assigned to the Lessor its Gross Revenues and has created a security interest in the funds and accounts established under the Lease. Pursuant to the Agent Agreement, the Lessor has assigned, conveyed and transferred to the Agent its rights as a pledgee and assignee to the Gross Revenues, its rights under the Service Agreement and its security interest in the funds and accounts established under the Lease.



PAYMENT OF THE PRINCIPAL PORTION OR THE REDEMPTION PRICE OF THE 2021 CERTIFICATES AND THE INTEREST PORTION THEREON SHALL BE SECURED BY AND ARE PAYABLE FROM FIXED RENT PAYMENTS TO BE MADE BY THE AUTHORITY. THE 2021 CERTIFICATES ARE NOT AND SHALL NOT BE DEEMED TO CREATE A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR ANY POLITICAL SUBDIVISION THEREOF AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE STATE OF NEW JERSEY OR ANY POLITICAL SUBDIVISION THEREOF. THE AUTHORITY HAS NO TAXING POWER.

The Lease Certificates are deemed to be and do constitute a contractual obligation representing proportionate interests in the Principal Portions and Interest Portions of the Fixed Rent payable by the Authority under the Lease. The assignment, conveyance and transfer of such Fixed Rent under the Agent Agreement shall be for the equal benefit, protection and security of the Owners of the Lease Certificates, including the 2021 Certificates, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any Lease Certificate over any other Lease Certificate, except as may be expressly provided in or pursuant to the Agent Agreement.

### **Pledge of Gross Revenues**

In accordance with the Act, the Authority is authorized to charge and collect rents, rates, fees and other charges for the ownership, operation, use or service of its System.

Pursuant to the Lease, the Authority has pledged its Gross Revenues to secure the payment of the Rent under the Lease. "*Gross Revenues*" is defined under the Lease and the Agent Agreement as (a) all rents, rates, fees and other charges and other income derived or to be derived by the Authority from or for the ownership, operation, use or services of the System, including all Service Charges, (b) any income derived from the investment of funds that are held in the funds and accounts established pursuant to the Agent Agreement or the Lease, (c) any proceeds of any insurance conveying a loss due to an interruption in the operation of the System (including, without limitation, use and occupancy insurance and business interruption insurance), (d) any payments that are received by the Authority from the City of Hoboken, the City of Union City, the Township of Weehawken and the Town of West New York (collectively, the "*Municipalities*") pursuant to the terms of the service agreement by and among the Authority and the Municipalities dated as of October 15, 1996, as the same may be amended, modified or supplemented in accordance with its terms and the terms of the Lease (the "*Service Agreement*"), and (e) amounts in the Rent Stabilization Account in the General Fund that are transferred to the Revenue Fund; *provided, however*, that "*Gross Revenues*" shall not include any governmental grants.

### **Rate Covenant**

(a) With respect to the use of the System, the Authority will make, impose, charge and collect Gross Revenues and other charges in accordance with the terms of the Act, other applicable laws of the State of New Jersey and as provided for in paragraph (b) below.

(b) Such Gross Revenues and other charges for or with respect to the use of the System shall be so estimated, computed, made, charged, imposed, collected and revised from time to time so that the Gross Revenues and other charges collected by the Authority and paid to the Security Agent Bank pursuant to the terms of the Lease for each Fiscal Year (less any amounts transferred from the Revenue Fund to the Rent Stabilization Account in such Fiscal Year) will be at least sufficient to provide an amount equal to the sum of: (1) 115% of the Annual Debt Service Requirement; (2) 100% of the annual debt service requirements on any Subordinated Debt for such Fiscal Year (giving effect to moneys on deposit, or that are anticipated to be on deposit, in the Subordinated Debt Service Fund at the beginning of

such Fiscal Year); (3) 100% of the amount necessary to pay Operating Expenses of the Authority in each Fiscal Year (giving effect to moneys on deposit, or that are anticipated to be on deposit, in the Operating Fund at the beginning of such Fiscal Year); (4) the amounts necessary to provide in each Fiscal Year the respective amount, if any, that is needed so that the amount on deposit in the (i) Renewal and Replacement Fund will equal the Renewal and Replacement Fund Requirement, (ii) Reserve Fund will equal the Reserve Fund Requirement and (iii) Rent Stabilization Account will equal the Rent Stabilization Requirement; (5) the payment of all other charges or liens related to the System whatsoever that are payable by the Authority out of such rents, fees and charges during such Fiscal Year; and (6) the payment of any additional amounts that are necessary to comply with the provisions of the Agent Agreement and the Lease and all other statutory and legal obligations of the Authority. In addition to the requirement of the preceding sentence, such Gross Revenues and other charges collected by the Authority and paid to the Security Agent Bank for each Fiscal Year (less any amounts transferred from the Revenue Fund to the Rent Stabilization Account in such Fiscal Year) will be at least sufficient to provide an amount equal to the sum of: (1) 110% of the sum of (a) the Annual Debt Service Requirement for each Fiscal Year and (b) the annual debt service requirements on any Subordinated Debt for such Fiscal Year (giving effect to moneys on deposit, or that are anticipated to be on deposit, in the Subordinated Debt Service Fund at the beginning of such Fiscal Year); (2) 100% of the amount necessary to pay Operating Expenses of the Authority in each Fiscal Year (giving effect to moneys on deposit, or that are anticipated to be on deposit, in the Operating Fund at the beginning of such Fiscal Year); (3) the amounts necessary to provide in each Fiscal Year the respective amount, if any, that is needed so that the amount on deposit in the (i) Renewal and Replacement Fund will equal the Renewal and Replacement Fund Requirement, (ii) Reserve Fund will equal the Reserve Fund Requirement and (iii) Rent Stabilization Account will equal the Rent Stabilization Requirement; (4) the payment of all other charges or liens related to the System whatsoever that are payable by the Authority out of such rents, fees and charges during such Fiscal Year; and (5) the payment of any additional amounts that are necessary to comply with the provisions of the Agent Agreement and the Lease and all other statutory and legal obligations of the Authority. Copies of every schedule of rates, charges and revisions thereof prescribed or adopted by the Authority will be filed promptly with the Rate Consultant and the Lessor.

(c) At least once in each Fiscal Year and not later than as will be necessary to enable rates to be in full force and effect on the first day of the next ensuing Fiscal Year, the Rate Consultant or Consulting Engineer will file with the Authority, the Security Agent Bank and the Agent a certificate (the "*Consultant's Certificate*") recommending and setting forth in tabular form as to such Fiscal Year the following: (i) the Annual Debt Service Requirements; (ii) the sum of all amounts estimated to be paid into and credited to the Revenue Fund; (iii) estimated Operating Expenses; (iv) the amount to be maintained as the Rent Stabilization Requirement; (v) the amount to be transferred from the General Fund to the Subordinated Debt Fund; and (vi) the estimated volume of sewage expected to be disposed of by operation of the System and setting forth the minimum rates and charges for such Fiscal Year necessary and required to be in effect for the whole of such Fiscal Year so as to comply with the provisions of paragraph (b) above.

(d) Upon receipt of such Consultant's Certificate, the Authority will undertake such proceedings as are necessary to accomplish any increase in such rates and charges to the extent necessary to comply with the opinion set forth in the Consultant's Certificate so that such rates and charges will be in full force and effect not later than the beginning of such ensuing Fiscal Year. Any reduction in such rate or charge permitted by reason of the opinion set forth in such Consultant's Certificate need not then be undertaken by the Authority if the Authority will determine that it is not in the best interests of the Authority, the Certificate Holders or the Lessor to effect a reduction at such time.

## **Funds and Accounts Established Under Agent Agreement**

Pursuant to the Agent Agreement, there has been established a Certificate Fund and, within the Certificate Fund, an Interest Account and Principal Account, into which will be deposited, respectively, the Interest Portion and Principal Portion of Fixed Rent for the purpose of paying the principal of and interest on the Lease Certificates.

In addition, there has been established as further security for the Lease Certificates a Reserve Fund. Upon the issuance of the 2021 Certificates, the Reserve Fund shall have on deposit therein an amount equal to the Reserve Fund Requirement. "*Reserve Fund Requirement*" means, as of any date of computation, an amount equal to the greatest amount required in the then current or any future Calculation Year to pay the sum of: (x) interest on the Lease Certificates payable in the Calculation Year; and (y) the principal of the Lease Certificates or the Sinking Fund Installment, as the case may be, payable in such Calculation Year; *provided*, that such amount attributable to a Series of Tax-Exempt Certificates cannot, at any time, exceed the lesser of (A) the amount set forth above attributable to such Series of Tax-Exempt Certificates, (B) 10% of the original aggregate principal amount of the Series of Tax-Exempt Certificates, or (C) 125% of the average annual debt service requirements on the Series of Tax-Exempt Certificates.

## **Funds and Accounts Established Under Lease**

Pursuant to the Lease, there have been established a Revenue Fund, an Operating Fund, a Renewal and Replacement Fund, a Subordinated Debt Fund and a General Fund and, within the General Fund, a Rent Stabilization Account. Each such Fund has been established with and is maintained by TD Bank, National Association, as Security Agent Bank.

In accordance with the provisions of the Lease, the Authority will cause all of its Gross Revenues, as received, to be deposited into the Revenue Fund. On a date not later than the day prior to the first day of each month, the Security Agent Bank will make the following deposits from the Revenue Fund in the following order of priority:

FIRST: to the Certificate Fund established under the Agent Agreement an amount sufficient to pay (i) Fixed Rent for such month and (ii) amounts representing unpaid Fixed Rent or portions thereof for prior months (as set forth in a certificate of the Agent);

SECOND: from the remaining balance, if any, the amount required to be deposited in the Reserve Fund, if any, for such Lease Certificates established under the Agent Agreement, to make the amount on deposit therein equal to the applicable Reserve Fund Requirement;

THIRD: from the remaining balance, if any, to the Operating Fund, the amount, if any, necessary to make the total on deposit therein equal to the Operating Fund Requirement to pay the Authority's Operating Expenses;

FOURTH: from the remaining balance, if any, to the Renewal and Replacement Fund, an amount equal to one thirty-sixth of the amount necessary to make the total on deposit in such Fund equal to the Renewal and Replacement Fund Requirement;

FIFTH: from the remaining balance, if any, to the Subordinated Debt Fund, the amount necessary to pay the amount coming due on the Subordinated Debt, if any, in such month; and

SIXTH: from the remaining balance, if any, to the Rent Stabilization Account in the General Fund, an amount necessary to make the total on deposit in such Account equal to the Rent Stabilization Requirement and, thereafter, to the General Fund.

Pursuant to the Agent Agreement, the Agent will, for each Series of Lease Certificates outstanding, pay, on the last Business Day of each month, from amounts on deposit in the Revenue Fund to the Certificate Fund the amounts set forth in paragraph FIRST above. If there are any deficiencies in the Certificate Fund on any such payment date as certified to the Security Agent Bank by the Agent, the Security Agent Bank will withdraw an amount sufficient to make up such deficiency from the General Fund, Subordinated Debt Fund, Renewal and Replacement Fund and Operating Fund, to the extent there are available funds therein, in that order of priority and transfer such amounts to the Agent for deposit in the Certificate Fund.

Amounts on deposit in the Operating Fund will be used by the Authority to pay its Operating Expenses in accordance with its Annual Budget. If the amount in the Operating Fund is less than the Operating Fund Requirement, following the deposit of funds from the Revenue Fund as set forth in paragraph THIRD above, then the Security Agent Bank will withdraw an amount sufficient to make up such deficiency from the General Fund, Subordinated Debt Fund and Renewal and Replacement Fund, to the extent there are available funds therein in that order of priority, after any withdrawal to make up a deficiency in the Certificate Fund as described above, and deposit such amounts in the Operating Fund.

Amounts on deposit in the Renewal and Replacement Fund will be used by the Authority to pay for major repairs, renewals, replacements and long-term maintenance items for the System, in accordance with the provisions herein. If the amount in the Renewal and Replacement Fund is less than the Renewal and Replacement Fund Requirement following the deposit of funds from the Revenue Fund as set forth in paragraph FOURTH above, then the Security Agent Bank will withdraw an amount sufficient to make up such deficiency from the General Fund and Subordinated Debt Fund, to the extent there are available funds therein in that order of priority, after any withdrawal to make up a deficiency in the Certificate Fund or the Operating Fund as set forth above, and deposit such amounts in the Renewal and Replacement Fund.

Amounts on deposit in the Subordinated Debt Fund will be used by the Authority to pay the amounts due on any Subordinated Debt. If the amount in the Subordinated Debt Fund is less than the amount so needed following the deposit of funds from the Revenue Fund as set forth in paragraph FIFTH above, then the Security Agent Bank will withdraw an amount sufficient to make up such deficiency from the General Fund to the extent there are available funds therein, after any withdrawal to make up a deficiency in the Certificate Fund, Operating Fund or Renewal and Replacement Fund as set forth above, and deposit such amounts in the Subordinated Debt Fund.

Amounts on deposit in the Rent Stabilization Account in the General Fund will be transferred at the beginning of each Fiscal Year to the Revenue Fund in accordance with the Consultant's Certificate. Any amounts thereafter remaining in the General Fund, but not any amounts in the Rent Stabilization Account, will be transferred to the Subordinated Debt Fund (in amounts required by the Consultant's Certificate). Thereafter, such amounts may be released to the Authority, free and clear of the lien of the Lease but solely for any lawful purposes of the System or for the required payments to the Municipalities under the Service Agreement, provided that there is no shortfall in the Operating Fund, the Replacement and Renewal Fund and the Subordinated Debt Fund, the amount in the Rent Stabilization Account is at least equal to the Rent Stabilization Requirement, and there is no default in the payment of principal or Redemption Price of or interest on the Lease Certificates.

## **Obligations Under Service Agreement**

In the Service Agreement, the Authority has agreed with the Municipalities to seek all permits for the System and to design, acquire, construct, finance, complete and place in operation, with all practicable speed, the System. The Authority has agreed in the Service Agreement to operate and maintain (or cause to be operated and maintained) and, to the extent permitted as described in the next succeeding sentence, to enlarge the System so as to treat, purify and dispose of sewage (as defined in the Act) by means of the System in compliance with the Act and all other appropriate laws and regulations. So long as any bond, additional bond or other indebtedness, including the 2021 Certificates, issued by the Authority for the System remains outstanding, the Authority may construct or acquire any enlargement or expansion of the System, including, without limitation, increases in capacity, service territory or treatment levels (which are not a part of the System), only if (a) the Consulting Engineer shall project or forecast that the estimated Service Charges will exceed the estimated operating expenses of the System and debt service on all outstanding bonds, additional bonds or other indebtedness issued by the Authority for the System for a period of not less than five consecutive years commencing with the year in which such expansion or enlargement is placed in service, (b) such expansion or enlargement is required to be made by the Authority in order to comply with a final order of a court of competent jurisdiction directing the Authority to comply with an order of the U.S. Environmental Protection Agency ("*USEPA*") or the New Jersey Department of Environmental Protection ("*NJDEP*") as to the treatment, purification or disposal of sewage, or the enlargement, improvement, alteration, expansion, repair or reconstruction of the System, or (c) the Municipalities shall have consented to any such expansion or alteration. The facilities constituting the System may not be used to treat sewage arising outside of the service area unless approved by the USEPA, NJDEP and each of the Municipalities.

## **Service Charges and Annual Charges**

*Service Charges.* The Authority will charge Service Charges to users of the System, pursuant to the Service Agreement, with respect to all sewage treated or disposed of by the Authority and for all use and services of the System, in accordance with the Act and the Lease and in a manner consistent with the submission relied upon by the USEPA and the NJDEP in issuing a Federal Grant or in such other manner that the USEPA and the NJDEP approve.

*Annual Charges.* If, but only if, the application of the formula set forth below yields a positive dollar amount for any fiscal year during which the Service Agreement is in effect, each of the Municipalities shall be obligated to pay to the Authority its allocable share of such positive dollar amount as an Annual Charge according to the payment provisions set forth below. Such Annual Charges shall be equal to the excess, if any, of:

(A) The sum of all of the amounts reasonably expected by the Authority to be expended in the fiscal year of the Authority (1) to pay or provide for the expenses of construction, acquisition, operation and maintenance of the System, as well as administrative and other expenses of the Authority related to the System prior to placing the System in operation, and the principal of and interest on all bonds and other obligations, including 2021 Certificates, as the same become due; (2) to maintain such reserves or sinking funds as may be required by the terms of any contract of the Authority or any bond resolution, or as may be deemed necessary by the Authority; and (3) to comply in all respects with the terms of any bond resolution and with the Act; from which is subtracted –

(B) The sum of the following amounts to the extent available to be used to pay or provide for the amounts described in subparagraph A above: (1) Service Charges collected by the Authority; (2) the proceeds of bonds received by or for the account of the Authority; (3) the proceeds of insurance awards received by or for the account of the Authority with respect to the System; (4) contributions received by or for the account of the Authority with respect to the System and not under any

circumstances repayable by the Authority until after the payment in full of all other obligations of the Authority, including its bonds, original or refunding or both; or (5) any other funds on hand and available therefor.

Annual Charges, if any, shall be assessed to and payable by each of the Municipalities in the same percentage as the most recent determination by the Authority of the allocation of annual flow among the Municipalities. The most recent determination by the Authority of such annual flow is as follows: (i) Hoboken 30.7%; (ii) Union City 33.7%; (iii) Weehawken 8.2%; and (iv) West New York 27.4% [UPDATE?]. The determination of the Authority shall be final and binding. The Authority has never drawn upon the Municipalities for payment under the Service Agreement in the past.

On or before January 1 of each year, the Authority will make an estimate of the amount of the Annual Charges, if any, that will become payable by the Municipalities for the succeeding year. On or before February 15 of each fiscal year, each Municipality will pay to the Authority the amount of any Annual Charges not paid relating to any prior fiscal year. Each Municipality will pay to the Authority that part of the estimated amount of the Annual Charges for the current fiscal year in four equal installments on March 1, June 1, September 1 and November 1 of such fiscal year.

The Municipalities will in each fiscal year make all budgetary and other provisions or appropriations necessary to provide for and authorize the payment of the estimated Annual Charges and any deficiencies from prior years. In the opinion of Special Counsel, the obligation of each Municipality to pay to the Authority its respective Annual Charge is an unconditional and unqualified obligation of each such Municipality independent of any other obligation of each Municipality under the Service Agreement, and such payment shall be made by such Municipality regardless of whether (i) the System shall become operational, (ii) any party to any agreement pertaining to the System or the Project (as defined in the Service Agreement) or any other agreement shall perform their respective obligations pursuant to such agreements or whether such agreements shall be valid and binding, or (iii) the System or the Project (as defined in the Service Agreement) shall accomplish the intended purposes. Special Counsel is of the opinion that it is the obligation of each Municipality to make payment of such Annual Charge, if not available from other sources, from the levy of *ad valorem* property taxes upon all taxable real property within such Municipality without limitation as to rate or amount.

### **Compliance with Service Agreement and Enforcement of Revenues**

The Authority will so plan, schedule and prosecute all construction on or about the System as to entitle it to make, impose and collect rents, rates, fees and charges pursuant to the terms of the Act and in compliance with the provisions of the Lease. The Authority will not release or modify the obligations of the Municipalities under the terms of the Service Agreement in any manner that would adversely affect the obligation to make payments thereunder. Any modification of the Service Agreement will be delivered to the Agent and the Lessor and will be accompanied by an Independent Counsel's Opinion stating that such modification is in compliance with the provisions of the Lease. In addition, the Authority will not release or modify the obligations of any party under the terms of the Service Agreement in any manner that would adversely affect the obligation of such party to make payments or to take any actions thereunder. The Authority will take all reasonable measures permitted by the Act or otherwise by law to enforce prompt payment to it of all Gross Revenues, and it will at all times, to the extent permitted by the Act or otherwise by law, defend, enforce, preserve and protect the rights, benefits and privileges of any beneficiaries under or with respect to the Service Agreement.

## THE SYSTEM

For a detailed description of the System, see "APPENDIX A – CERTAIN INFORMATION CONCERNING THE AUTHORITY AND THE MUNICIPALITIES" herein.

## THE LESSOR

The Lessor is a limited liability company duly formed and in good standing under the laws of the State of New Jersey. The Lessor has been formed for the purpose of acting as landlord pursuant to the Lease and in connection with the issuance of the 2021 Certificates. *The Lessor has no assets or operations other than those related to the financing and acquisition of the System. The Lessor does not employ any staff to carry out any functions.*

Pursuant to the Agent Agreement, the Lessor has assigned, *inter alia*, certain of its rights under the Lease, including the right to receive Fixed Rent payments due from the Authority under the Lease, to the Agent. The 2021 Certificates will constitute proportionate interests of such assigned Fixed Rent payments. Neither the Lessor nor the Agent is liable for the Fixed Rent payments or other amounts due under the Lease, and the Owners of the 2021 Certificates have no right to look to the Lessor or the Agent for payment of the 2021 Certificates.

## ESTIMATED SOURCES AND USES OF FUNDS

All proceeds received from the sale and delivery of the 2021 Certificates are expected to be applied as follows:

### SOURCES:

Principal Amount of 2021 Certificates	\$
[Net] Original Issue Premium	
Other Available Funds of the Authority derived from the existing funds and account of the Certificates to be Refunded	
Total Sources of Funds:	\$

### USES:

Redemption of Prior Certificates	\$
Payment of Costs of Issuance*	
Underwriter's Discount	
Total Uses of Funds:	\$

\* Includes all legal, accounting, printing, municipal advisory, verification agent and fiduciary expenses incurred in connection with the issuance and delivery of the 2021 Certificates.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

## FIXED RENT PAYMENTS<sup>1</sup>

Fixed Rent consists of principal and interest components. Following settlement of the 2021 Certificates, the table shown below sets forth the annual Fixed Rent payments relating to the 2021 Certificates, the 2019 Certificates and the 2012B Certificates.

Fixed Rent Payment Date	2021 Certificates		2019 Certificates	2012B Certificates	Total Fixed Rent Payment
	Principal Portion	Interest Portion			
6/1/2022					
6/1/2023					
6/1/2024					
6/1/2025					
6/1/2026					
6/1/2027					
6/1/2028					
6/1/2029					
6/1/2030					
6/1/2031					
6/1/2032					
6/1/2033					
6/1/2034					
6/1/2035					
6/1/2036					
6/1/2037					
6/1/2038					
6/1/2039					
6/1/2040					
6/1/2041					
6/1/2042					
6/1/2043					
6/1/2044					
Totals:					

## CERTIFICATE OWNERS' RISKS

The discussion herein of risks to the Owners of the 2021 Certificates is not intended as dispositive, comprehensive or definitive, but rather is intended to summarize certain matters that could affect payment of the 2021 Certificates. Other sections of this Official Statement, as cited herein, should be referred to for a more detailed description of risks described in this section, which descriptions are qualified by reference to any documents discussed therein. Copies of all such documents are available for inspection at the corporate trust office of the Agent located in Cherry Hill, New Jersey.

### Limited Obligation of the Authority

Payment of the Principal Portion or Redemption Price of the 2021 Certificates and the Interest Portion thereon shall be secured by and payable from Gross Revenues. The 2021 Certificates are not and shall not be deemed to create a debt or liability of the State of New Jersey or any political subdivision thereof and do not and shall not create or constitute any indebtedness, liability or obligation of the State of New Jersey or any political subdivision thereof. The Authority has no taxing power.

---

<sup>1</sup> Estimated; does not reflect debt service payable by the Authority, on a subordinate basis, relating to its bonds issued to the New Jersey Infrastructure Bank. For the overall debt service requirements of the Authority, see "APPENDIX A – CERTAIN



## **Event of Default**

An "*Event of Lease Default*" under the Lease includes, among other things, the failure of the Authority to make a payment of Rent as it becomes due, or the discovery of any false, misleading or materially erroneous statement, representation or warranty made by the Authority in, or with respect to, the Lease. An "*Event of Default*" under the Agent Agreement includes the failure of the Authority to pay any Interest Portion or Principal Portion of Fixed Rent when due and the occurrence of an Event of Lease Default. See "SECURITY AND SOURCES OF PAYMENT FOR THE LEASE CERTIFICATES" herein.

Upon the occurrence and continuation of an Event of Default under the Agent Agreement, the Agent may, in its discretion, or, upon written request of the Owners of at least a majority in aggregate principal amount of the 2021 Certificates then Outstanding and on provision of indemnity satisfactory to it, shall, declare the Principal Portion of all 2021 Certificates, together with the accrued and unpaid Interest Portions thereon, to be immediately due and payable or may pursue any remedy available to the Lessor under the Lease. Under the Lease, the Lessor shall have the right, without further demand or notice, to take one or any combination of the following remedial steps: (i) with or without terminating the Lease, reenter and take possession of the System and exclude the Authority therefrom; *provided, however,* that if the Lease has not been terminated, the Lessor shall return possession of the System to the Authority when the Event of Lease Default is cured; and *provided, further,* that the Authority shall continue to be responsible for the Rent due during the Fiscal Year then in effect; or (ii) with or without terminating the Lease, declare all Rent due or to become due during the Fiscal Year of the Authority in which the Event of Lease Default occurs to be immediately due and payable by the Authority, whereupon such Rent shall be immediately due and payable; or (iii) take whatever action at law or in equity may appear necessary or desirable to collect the Rent then due and thereafter to become due during the then-current Fiscal Year of the Authority with respect to the System or enforce the performance and observance of any obligation, agreement or covenant of the Authority under the Lease.

There is no assurance that an Event of Lease Default will not occur under the Lease. If there shall occur an Event of Lease Default, the Agent shall have such remedies and rights as described in the Lease and the Agent Agreement. However, the Agent's remedies for an Event of Lease Default may be costly or difficult to enforce, and may be subject to application by a court of general principles of equity and judicial discretion.

## **Limited Utility of System**

Pursuant to the Lease, on the occurrence and continuation of an Event of Lease Default, the Lessor may, among other things, reenter and take possession of the System and exclude the Authority therefrom. Pursuant to the Agent Agreement, the Agent may, in its discretion, or, upon written request of the Owners of a least a majority in aggregate principal amount of the Lease Certificates then Outstanding and on provision of indemnity satisfactory to it, shall, pursue any remedy available to the Lessor under the Lease. No assurance can be made that the rental or market value of the System will be sufficient to satisfy the Authority's payment obligations under the Lease.

## **Secondary Market**

There can be no assurance that there will be a secondary market for the purchase or sale of the 2021 Certificates. From time to time, there may be no market for the 2021 Certificates depending upon prevailing market conditions, including the financial condition or market position for firms who may

---

INFORMATION CONCERNING THE AUTHORITY AND THE MUNICIPALITIES" herein.

make the secondary market, and the financial conditions and results of operations of the Lessor, the Authority or the Agent.

### **Enforceability of Authority's Obligations Under United States Bankruptcy Code**

The undertakings of the Authority under the Lease should be considered with reference to the provisions of Title 11 of the United States Code, 11 U.S.C. §§101 *et seq.* (the "*Bankruptcy Code*"), and other State bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits any political subdivision, public agency or instrumentality of the State that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by complying with applicable State law and filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of such class. The Bankruptcy Code specifically does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Code.

Reference should also be made to N.J.S.A. 52:27-40 *et seq.*, which provides that a local unit, including the Authority, has the power to file a petition in bankruptcy with any United States court or court in bankruptcy under the provisions of the Bankruptcy Code for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; *provided, however*, the approval of the Municipal Finance Commission must be obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board.

**THE AUTHORITY HAS NOT AUTHORIZED THE FILING OF A BANKRUPTCY PETITION. THIS REFERENCE TO THE BANKRUPTCY CODE OR THE STATE STATUTE SHOULD NOT CREATE ANY IMPLICATION THAT THE AUTHORITY EXPECTS TO UTILIZE THE BENEFITS OF THEIR PROVISIONS, OR THAT, IF UTILIZED, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF THE 2021 CERTIFICATES, OR THAT THE BANKRUPTCY CODE COULD NOT BE AMENDED AFTER THE DATE HEREOF.**

### **FINANCIAL STATEMENTS**

The financial statements of the Authority for the year ended **January 31, 2021** are presented in Appendix B hereto. Such financial statements have been audited by Garbarini & Co. P.C., Certified Public Accountants, as stated in their report appearing in Appendix B hereto.

### **AGENT**

TD Bank, National Association is a national banking association organized and existing under the laws of the United States of America with a corporate trust office located in Cherry Hill, New Jersey.

### **SECONDARY MARKET DISCLOSURE**

In accordance with the provisions of Rule 15c2-12 promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended (the "*Rule*"), the Authority will, prior to the issuance of the 2021 Certificates, execute and deliver a Secondary Market Disclosure Undertaking, substantially in the form set forth in Appendix E hereto.

Pursuant to previous undertakings pursuant to the Rule, the Authority undertook, on behalf of itself and the Municipalities, to provide secondary market disclosure information as required pursuant to the Rule. The Authority has previously failed to timely file the following items in the past five years pursuant to prior undertakings executed in connection with obligations issued by the Authority: certain of its operating data, namely the Consultant's Certificate, for the fiscal years ending January 31, 2015 through January 31, 2019; however, the information contained in the Consultant's Certificate was included in both the operating data as well as the audited financial statements of the Authority filed annually with EMMA. A notice regarding the Authority's failure to file the Consultant's Certificate on a timely basis has been filed with EMMA. The Authority has instituted procedures to ensure future compliance with the Secondary Market Disclosure Undertaking and the Rule.

## RATINGS

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC (the "*Rating Agency*"), is expected to assign a rating of "[AA]" (stable outlook) to the 2021 Certificates based upon the issuance by AGM of the Policy at the time of delivery of the 2021 Certificates. In addition, the Rating Agency has assigned an underlying rating of "[A+]" to the 2021 Certificates based upon the unenhanced rating of the Authority.

Such ratings reflect the views of the Rating Agency at the time such ratings were given and the Authority makes no representation as to the appropriateness of the ratings. Any explanation of the significance of the ratings may be obtained from the Rating Agency. There is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the Rating Agency if, in its judgment, circumstances so warrant. Any such downward revision, qualification or withdrawal of the ratings can be expected to have an adverse effect on the market price or marketability of the 2021 Certificates. Neither the Authority nor the Underwriter has agreed to take any action with respect to any proposed rating change or to bring such rating change, if any, to the attention of the holders of the 2021 Certificates.

## TAX MATTERS

### Federal

The Authority has covenanted to comply with any continuing requirements that may be necessary to preserve the tax-exempt status of the 2021 Certificates under the Internal Revenue Code of 1986, as amended (the "*Code*"). In the opinion of JP Capizzi LLC, West New York, New Jersey, Special Counsel to the Authority, to be delivered at the time of original issuance of the 2021 Certificates, assuming continuing compliance by the Authority with its covenant, under current law, interest on the 2021 Certificates is not includable in gross income for federal income tax purposes under Section 103 of the Code and is not an item of tax preference under Section 57 of the Code when calculating the federal alternative minimum tax. No opinion is expressed regarding other federal tax consequences or other federal taxes arising with respect to the 2021 Certificates.

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the 2021 Certificates in order to assure that interest on the 2021 Certificates will be, and

remains, excludable from gross income for federal income tax purposes. These requirements include, but are not limited to, requirements relating to use and expenditure of proceeds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on investments of gross proceeds of the 2021 Certificates be rebated to the federal government. Noncompliance with such requirements may cause interest on the 2021 Certificates to become subject to federal income taxation retroactive to their date of issuance, regardless of the date on which such noncompliance occurs or is discovered. The Authority will deliver an Arbitrage and Tax Certificate concurrently with the issuance of the 2021 Certificates, which will contain provisions and covenants relating to its compliance with the requirements of the Code. In rendering its opinion, Special Counsel has relied on certain representations, certifications of fact and statements of reasonable expectations made by the Authority in connection with the 2021 Certificates, and Special Counsel has assumed compliance by the Authority with its covenant to comply with any continuing requirements that may be necessary to preserve the tax-exempt status of the 2021 Certificates under the Code. The 2021 Certificates are not "private activity bonds" as defined in the Code.

*Original Issue Premium.* The 2012 Certificates may be sold at an initial offering price in excess of the amount payable at the maturity date (the "*Premium Certificates*"). The excess, if any, of the tax basis of the Premium Certificates to a purchaser (other than a purchaser who holds such Premium Certificates as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable certificate premium, which is not deductible from gross income for federal income tax purposes. Amortizable certificate premium, as it amortizes, will reduce the owner's tax cost of the Premium Certificates used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Certificates. Accordingly, an owner of Premium Certificates may have taxable gain from the disposition of the Premium Certificates, even though the Premium Certificates are sold, or disposed of, for a price equal to the owner's original cost of acquiring the Premium Certificates. Certificate premium amortizes over the term of the Premium Certificates under the "constant yield method" described in the regulations interpreting Section 1272 of the Code. Owners of the Premium Certificates should consult their own tax advisors with respect to the calculations of the amount of certificate premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Premium Certificates.

*Bank-Qualification.* The Code denies the interest deduction for indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of 100% of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues, which must be so designated by the issuer as qualified under Section 265 of the Code, 80% of such interest may be deducted as a business expense by such institutions.

The 2021 Certificates will not be designated as qualified under Section 265 of the Code by the Authority for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

*Possible Government Action.* Legislation affecting municipal bonds is regularly under consideration by the United States Congress. In addition, the Internal Revenue Service ("*IRS*") has established an expanded audit program for tax-exempt obligations. There can be no assurance that legislation enacted or proposed, or an audit initiated or concluded by the IRS involving the 2021 Certificates or other tax-exempt obligations, after the issue date of the 2021 Certificates will not have an adverse effect on the tax-exempt status or market price of the 2021 Certificates.

## State

In the opinion of Special Counsel, under current law, interest on the 2021 Certificates, and any gain on the sale thereof, is not includable in gross income under the New Jersey Gross Income Tax Act.

No opinion is expressed as to the treatment for New Jersey gross income tax purposes of any moneys received in payment of or in respect to the 2021 Certificates subsequent to termination of the term of the Lease by reason of an Event of Lease Default.

ALL PROSPECTIVE PURCHASERS OF THE 2021 CERTIFICATES SHOULD CONSULT THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE GIVEN THEIR PARTICULAR TAX CIRCUMSTANCES.

## UNDERWRITING

The 2021 Certificates are being purchased for reoffering by Barclays Capital Inc. (the "Underwriter") at a purchase price of \$\_\_\_\_\_, representing the principal amount of the 2021 Certificates plus [net] original issue premium in the amount of \$\_\_\_\_\_ less Underwriter's discount in the amount of \$\_\_\_\_\_.

The Underwriter intends to offer the 2021 Certificates to the public initially at the reoffering yields set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the 2021 Certificates to the public. The Underwriter may offer and sell the 2021 Certificates to certain dealers (including dealers depositing the 2021 Certificates into investment trusts) at yields higher than the public offering yields set forth on the inside front cover page hereof, and such public offering yields may be changed, from time to time, by the Underwriter without prior notice.

## MUNICIPAL ADVISOR

NW Financial Group, LLC, Hoboken, New Jersey, serves as municipal advisor to the Authority with respect to the issuance of the 2021 Certificates and has assisted in matters relating to the planning, structuring and issuance of the 2021 Certificates. However, NW Financial Group, LLC has not audited or participated in the preparation of the financial or statistical information contained in this Official Statement, nor has it verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion or other assurance with respect thereto. NW Financial Group, LLC is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act.

## VERIFICATION OF MATHEMATICAL ACCURACY

\_\_\_\_\_ (the "Verification Agent") has verified, from the information provided to them by the Authority and the Underwriter, the mathematical accuracy of the Redemption Price of the Certificates to be Refunded and the accrued interest due thereon, all calculated as of the Redemption Date of the Certificates to be Refunded. In addition, the Verification Agent has verified, from the information provided to them by the Underwriter, the mathematical accuracy, as of the date of delivery of the 2021 Certificates, of the computations contained in the provided schedules to determine that the proceeds of the 2021 Certificates and other available funds of the Authority to be applied by the Agent to refund the Certificates to be Refunded will be sufficient to pay the principal or Redemption Price of and interest on

the Certificates to be Refunded. The Verification Agent will not express any opinion as to the assumptions provided to it by any party.

## **LITIGATION**

In the opinion of JP Capizzi LLC, West New York, New Jersey, General Counsel to the Authority, there is no litigation pending or, to the best of its knowledge, information and belief, threatened restraining or enjoining the authorization, sale, execution, issuance or delivery of the 2021 Certificates, the Amendment to Master Lease or the Supplemental Agent Agreement, or in any way contesting or affecting the validity of the 2021 Certificates, the Lease or the Agent Agreement or any proceedings of the Authority taken with respect to the authorization, sale, execution, issuance or delivery thereof, or in any way contesting or affecting the collection of Gross Revenues to pay Fixed Rent under the Lease or in any way contesting or affecting the existence or powers of the Authority related to the authorization, sale, execution, issuance or delivery of the 2021 Certificates, the Lease or the Agent Agreement or the collection of Gross Revenues. There is no litigation pending or, to the best of its knowledge, information and belief, threatened by or against the Authority wherein an adverse judgment would have a material adverse impact on the financial condition of the Authority that is not otherwise adequately covered by insurance.

## **APPROVAL OF LEGAL PROCEEDINGS**

All legal matters relating to the authorization, issuance, sale and delivery of the 2021 Certificates are subject to the approval of JP Capizzi LLC, West New York, New Jersey, Special Counsel to the Authority, whose approving opinion will be delivered with the 2021 Certificates substantially in the form set forth in Appendix D hereto. Except to the extent necessary to issue its approving opinion as to the validity of the 2021 Certificates, Special Counsel has made no inquiry of any officials of the Authority or of the Municipalities or of other persons as to any financial information, documents, statements or materials, and has not independently verified any such financial information, documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the 2021 Certificates. Accordingly, Special Counsel will not express any opinion with respect to the accuracy or completeness of any such financial information, documents, statements or materials. Certain legal matters will be passed upon for the Authority by JP Capizzi LLC, West New York, New Jersey, General Counsel to the Authority, for the Underwriter by its counsel, McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, and for the Agent by its counsel, Gibbons P.C., Newark, New Jersey.

## **MISCELLANEOUS**

The references herein to statutes and to the Lease and the Agent Agreement are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to the full text of such statutes and the Lease and the Agent Agreement for a full and complete statement of such provisions. Copies of the documents mentioned in this paragraph are on file at the offices of the Agent and are included in the Appendices hereto.

The Authority has authorized the execution and delivery of this Official Statement.

**THE NORTH HUDSON SEWERAGE  
AUTHORITY**

By: \_\_\_\_\_  
**Brian Kappock**  
**Chairman**

Dated: September \_\_, 2021

**APPENDIX A**

**CERTAIN INFORMATION CONCERNING THE AUTHORITY  
AND THE MUNICIPALITIES**



**APPENDIX B**

**FINANCIAL STATEMENTS OF THE AUTHORITY**

**APPENDIX C**

**FORMS OF LEASE AND AGENT AGREEMENT**

**APPENDIX D**

**FORM OF OPINION OF SPECIAL COUNSEL**

**APPENDIX E**

**FORM OF SECONDARY MARKET DISCLOSURE UNDERTAKING**

**APPENDIX F**

**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

**APPENDIX G**

**CERTIFICATES TO BE REFUNDED**

<b><u>Maturity (June 1)</u></b>	<b><u>Principal Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Redemption Date</u></b>	<b><u>Redemption Price</u></b>	<b><u>CUSIP<sup>2</sup></u></b>
	\$	%		%	

---

<sup>2</sup> The CUSIP numbers are being provided solely for the convenience of the holders of the Certificates to be Refunded only and the Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy.