

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

Minutes of the special meeting of the New Jersey Transportation Trust Fund Authority (the "Authority") held at the Office of the Commissioner in the Main Office Building of the New Jersey Department of Transportation, 1035 Parkway Avenue, Trenton, New Jersey on September 28, 2005 at 10:00 a.m., eastern daylight savings time.

The following Authority Members were present:

James Snyder, Deputy Commissioner, Department of Transportation, Designee
for Chairman Jack Lettiere, Commissioner, Department of Transportation
James Petrino, Acting Director, Office of Public Finance, Designee for Treasurer
Philip K. Beachem, Public Member
Joseph Ripa, Public Member
Robert Ferris, Public Member

Constituting a quorum of the Members of the Authority

There were also present:

Steven B. Hanson, Executive Director
Sandra S. Deon, Secretary of the Authority
Mina Tsintzas, Assistant Secretary of the Authority
Aimee Manocchio Nason, Esq., Deputy Attorney General
Keith Barrack, Esq., Governor's Authorities Unit
Mike Lihvarcik, Office of Management & Budget
Joseph Licari, DOT Director, Division Accounting & Auditing
Mike MacFeeters, Office of the Executive Director
David Moore, Office of Public Finance
John T. Kelly, Esq., Wilentz, Goldman & Spitzer, P.A., Bond Counsel
John M. Cantalupo, Esq., Wilentz, Goldman & Spitzer, P.A., Bond Counsel
Peter D. Nissen, Public Financial Management, Inc., Financial Advisor
Joshua Nyikita, Public Financial Management, Inc., Financial Advisor
Tracey E. Keays, JP Morgan Securities Inc.
Nick Falgione, JP Morgan Securities Inc.

Deputy Commissioner James Snyder presided at the meeting, and Sandra S. Deon, Secretary, kept the minutes.

Deputy Commissioner Snyder convened the meeting at 10:00 a.m. and acknowledged that a quorum of the members were present and made the following statement:

I wish to announce that adequate notice of today's meeting of the New Jersey Transportation Trust Fund Authority has been provided in accordance with the Open Public Meetings law. Notice was filed with the Secretary of State. This notice was also mailed to five newspapers of general distribution (The Trentonian, Trenton Times, Camden Courier Post, Star Ledger and Atlantic City Press) and posted in the main entrance of the New Jersey Department of Transportation headquarters.

Executive Director Steven B. Hanson called the roll.

Mr. Ripa moved the following resolution approving the minutes of the Authority's June 30, 2005 meeting:

WHEREAS, Article II, Section 8 of the Bylaws of the New Jersey Transportation Trust Fund Authority provides that the minutes of actions taken at meetings of the Authority be approved by the Authority,

NOW, THEREFORE, BE IT RESOLVED, that the minutes taken at the meeting of June 30, 2005 of the New Jersey Transportation Trust Fund Authority are hereby approved.

The above resolution was seconded by Mr. Beachem and adopted on a call of roll as follows:

Yeas: 5

Nays: 0

As the next order of business James Snyder, designee for the Chairman, asked Executive Director Hanson, Mr. Petrino, John Kelly, Bond Counsel, and Financial Advisor Peter Nissen, to describe the new money issue being authorized in the Eighteenth

Supplemental Transportation System Bond Resolution and summarize the actions which the board was being asked to vote upon.

Executive Director Hanson began the discussion by stating the Authority is out of money and needs to sell bonds to finance its cash needs for the remainder of the fiscal year. The issuance of the bonds is consistent with the Financial Plan that the Authority approved in March 2005 for \$1,000,000,000. This bond issue follows through with what was discussed at the time the Finance Plan was approved. This bond issue will not have level debt service like the Authority's other bond issues. The principal repayments are back loaded, moving more of the principal to the later years. The financing restrains the principal payments for 15 years. The Authority needed to back load the principal in order to stay under \$805 million constitutional dedication of revenues. In 2007, the Department will run into a brick wall. The Department has not received the statutorily dedicated monies for the past five years.

Peter Nissen, Managing Director of the PFM Group, the Authority's financial advisor, gave a brief overview of the current bond market. Given the Authority's constraints and the lack of other dedicated revenues, this will be the last issue of bonds by the Authority unless other revenue sources are found. The Authority will sell \$950 million in bonds which will produce \$1,000,000,000 in bond proceeds. This is a low interest rate environment and a good time to undertake long-term financing. There will be no use of capitalized interest in this bond issue.

James Petrino stated from the Treasurer's perspective, he encouraged the Board to consider the proposal.

Deputy Commissioner Jim Snyder stated this is a critical time for the Department. He stated that everyone knows what will happen in the next couple of months if the bond issue is not approved. The Department will come to a halt. This is a dire situation.

Executive Director Hanson introduced Bond Counsel John Kelly of Wilentz, Goldman & Spitzer. Mr. Kelly stated that the Eighteenth Supplemental Bond Resolution that the Authority is being asked to consider authorizes the issuance of not to exceed \$1.1 billion of bonds under the Authority's general bond resolution. In addition, the resolution authorized the appointment of J.P. Morgan as Senior Managing Underwriter, the Authority's entry into a Bond Purchase Agreement with JP Morgan, and the execution of a Continuing Disclosure Agreement to comply with Rule 15c2-12. The Eighteenth Supplemental Bond Resolution also delegates to Authority officials the ability to set the terms of the bonds.

Mr. Hanson stated that the Department would be unable to undertake the projects funded with this bond financing if the bonds were not issued.

Mr. Beachem stated that he is displeased with the structure of the back-loaded principal payments. This is the first time the Authority has undertaken this type of structure. Mr. Beachem stated that his concerns with this financing are a continuation of the discussions the Board had last March when the Board approved the finance plan with reservations. Nobody wants to take responsibility for their actions. The Legislature has to know that they cannot continue to approve a large capital program without providing the resources to support it. In order to work, this bond issue must have principal payments on the back end of the payment schedule. Mr. Beachem stated that he is not happy with this transaction but he understands the importance of the transaction to the

Department. Basically, the structure of this financing places all of these costs on future generations without providing any more revenue.

Deputy Commissioner Snyder agreed with Mr. Beachem but stated that the Board must acknowledge its responsibility to the citizens of New Jersey.

Mr. Ripa asked when it is anticipated that the Governor and/or Legislature will identify additional funds for the transportation projects and additional revenues for the Authority. They should be addressing a revenues source.

Mr. Snyder responded that Acting Governor Codey anticipates dealing with this issue during the Lame Duck Session. As far as newspaper publicity, the Transportation Trust Fund Authority is getting almost equal discussion as the property tax issue. Mr. Snyder stated that the Authority is at a critical crossroads.

Mr. Beachem asked a question regarding the separated out payments over the life time of the loan.

Mr. Ferris agreed with Mr. Beachem. He does not like the band-aid approach.

Deputy Commission Snyder assured the Board that Commissioner Lettiere has expressed all of the Board's concerns to the Governor, the Legislature, and the Treasurer.

Mr. Beachem wanted it confirmed that if the Authority does not sell bonds, the Authority will basically be shutting down the Department.

Executive Director Hanson responded that if the bonds are not issued no new projects would be awarded and on-going projects would not be funded either.

Mr. Ferris asked if the Authority received a response from the letter that was sent to the Governor and the Legislature stating the financial position of the Authority.

Deputy Commissioner Snyder responded that the letter was never sent because all of the Board members were not in agreement on the content of the letter.

Mr. Ferris was adamant that the Board was asked to approve a Finance Plan last March without adequate funding. The letter was never sent to the Governor and the Legislature and now the Board was being asked to approve a \$1,100,000,000 bond issue.

A lengthy discussion ensued.

Mr. Beachem asked if it would help to approve a smaller capital program.

Executive Director Hanson stated the Department is looking to fund a larger capital program, \$1.2 billion. It has to be a lot smaller to keep debt service down. The Department would have to cut out a lot, a couple of hundred million dollars.

Mr. Ferris asked what happens at the end of this fiscal year if nothing is done. He stated, "We cannot do this again. There is no decision to be made. It has been made."

Financial Advisor Peter Nissen stated the problem would be exacerbated by not issuing the bonds.

Executive Director Hanson stated that not only would the Department be impacted by not approving this bond issue but New Jersey Transit would be impacted as well. Repair of their trains and buses would not happen.

Mr. Ferris wanted to know what the rating agencies would do with this particular bond issue.

Executive Director Hanson responded that no rating changes were expected based upon the back loading of principal.

Commissioner Lettiere entered the meeting. Commissioner Lettiere stated that the fact that the Authority is sitting here and discussing this issue did not give him any

consolation. The fact that the Authority must run up \$805 million in debt does not make him feel good. However, the Authority must finance the 2006 capital program. Commissioner Lettiere stated that he cannot change the fact that the program is going to be paid off with debt. First, the Department has bills to pay and second the Commissioner cannot get into another problem with the Federal Highway Administration (“FHWA”). The Governor and the Legislature will have to do something. Mr. Lettiere stated that there are minimal options to keep the transportation projects going. He questioned whether it was in the public interest to delay Federal contracts. Mr. Beachem asked whether the Legislators want certain projects in the capital program and whether the Authority at some point, could say there is no money for those projects, and that the Authority is cutting certain projects out of the finance plan.

Commissioner Lettiere responded the Department would have to cut back on targeted items and that is construction, production cycle, environmental permits, engineers, etc. This process would have had to start three years ago. Also, the Department would begin to fail the test on the Federal side for maintenance of effort.

Mr. Beachem stated that he said his piece back in February when the Finance Plan was approved with reservations. He did not go for it then. He stated this is the wrong way to go but he will vote for it anyway because he knows Jack Lettiere has to run the Department and complete the projects. He acknowledged that the Commissioner had no other options. Mr. Beachem feels the Legislature is passing the buck. If they want to fund this kind of program, they have to find more revenue.

Commissioner Lettiere stated the State cannot afford this kind of debt any more. Enough is enough. The Department has a transportation program to run. This is not a 5 & 10 store.

Mr. Ferris stated that Commissioner Lettiere expresses the concerns of the Transportation Trust Fund Authority.

Commissioner Lettiere stated that the Acting Governor, Treasurer, and Transportation Committee know the Board's concerns. They know how the Board feels because they know how the Commissioner feels.

Mr. Beachem and Mr. Ferris wanted it stated that they were voting for this resolution but they wanted the minutes to reflect all of their concerns.

A motion to adopt the following Eighteenth Supplemental Resolution was made by Mr. Petrino.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

Not Exceeding \$1,100,000,000

Transportation System Bonds

**EIGHTEENTH SUPPLEMENTAL TRANSPORTATION
SYSTEM BOND RESOLUTION**

Adopted September 28, 2005

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NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
EIGHTEENTH SUPPLEMENTAL
TRANSPORTATION SYSTEM BOND RESOLUTION

Adopted September 28, 2005

BE IT RESOLVED by the Members of the New Jersey Transportation Trust Fund Authority as follows:

ARTICLE I
AUTHORITY AND DEFINITIONS

1.1. Supplemental Resolution.

This Eighteenth Supplemental Transportation System Bond Resolution (the “Eighteenth Supplemental Resolution”) is supplemental to the 1995 Transportation System Bond Resolution adopted by the Authority on June 15, 1995, as amended and supplemented (the “Resolution”).

1.2. Authority for this Eighteenth Supplemental Transportation System Bond Resolution.

This Eighteenth Supplemental Resolution is adopted (i) pursuant to the provisions of the New Jersey Transportation Trust Fund Authority Act of 1984, 1984 N.J. Laws, c. 73, as amended and supplemented (the “Act”), and (ii) in accordance with Article II and Article X of the Resolution.

1.3. Definitions.

All capitalized terms used herein and not otherwise defined shall have the same meanings, respectively, in this Eighteenth Supplemental Resolution as such terms are given in the Resolution.

In addition, in this Eighteenth Supplemental Resolution, the following terms shall have the meanings set forth below:

“*Authorized Authority Official*” shall mean the Chairperson of the Authority, the Vice Chairperson of the Authority or the Executive Director of the Authority.

“*Bond Purchase Contract*” shall have the meaning given to such term in Section 2.4 of this Eighteenth Supplemental Resolution.

“DTC” shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the 2005 Bonds.

“Rule 15c2-12” shall mean Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented.

“Senior Managing Underwriter” shall mean J.P. Morgan Securities Inc. as senior managing Underwriter for the 2005 Bonds.

“Series Certificate” shall mean the Series Certificate or Certificates to be executed by an Authorized Authority Official pursuant to Section 2.08 of this Eighteenth Supplemental Resolution.

“2005 Bonds” shall mean the not exceeding \$1,100,000,000 Transportation System Bonds authorized pursuant to Article II of this Eighteenth Supplemental Resolution.

“Underwriters” shall mean, with respect to each Series of the 2005 Bonds, the underwriters named in the Bond Purchase Contract for such Series of the 2005 Bonds pursuant to Section 2.4 of this Eighteenth Supplemental Resolution.

ARTICLE II AUTHORIZATION OF 2005 BONDS

2.1. Maximum Principal Amount, Designation, Series, Maximum True Interest Cost and Final Maturity.

Pursuant to the provisions of the Resolution, one or more Series of 2005 Bonds entitled to the benefit, protection and security of such provisions are hereby authorized to be issued in an aggregate principal amount not exceeding \$1,100,000,000. The 2005 Bonds shall be designated as “Transportation System Bonds” and shall be further distinguished by the designation of the year of issue and the letter of the Series, with the first Series issued pursuant to this Eighteenth Supplemental Resolution being designated as “2005 Series D”, as such designation may be determined or modified by an Authorized Authority Official in the Series Certificate. The 2005 Bonds shall be issued as fixed interest rate Bonds and shall be dated, shall mature on such dates and in such principal amounts, shall bear interest from their date at such rate or rates payable on such dates, and shall be subject to redemption prior to maturity on such terms and conditions, as shall be determined by an Authorized Authority Official in the Series Certificate; provided, however, that in no event shall (i) the final maturity of any Series of the 2005 Bonds be later than twenty-one (21) years from the date of the original issuance and delivery of such Series of the 2005 Bonds or the date set forth in the Act, (ii) the true interest cost of each Series of the 2005 Bonds exceed seven percent (7.00%) per annum, and (iii) the redemption price for any 2005 Bond shall not exceed one hundred three percent

(103%) of the principal amount of such 2005 Bond. The 2005 Bonds shall be issued and sold as one or more Series of Bonds pursuant to the provisions of Article II of the Resolution.

2.2. Purpose.

The 2005 Bonds shall be issued pursuant to the Resolution for the purposes of (i) paying State Transportation System Costs, (ii) funding capitalized interest on such 2005 Bonds, and (iii) paying the costs of issuance of such 2005 Bonds.

2.3. Determination in Accordance with Section 9i of the Act.

The Authority hereby finds and determines that it has minimized the incurrence of debt by first relying on appropriations and other revenues available to it for its statutory purposes; and that such finding and determination hereby and the issuance of the 2005 Bonds as aforesaid are and will be in accordance with Section 9i of the Act.

2.4. Authorization of Negotiated Sale.

The Authority hereby authorizes the negotiated sale of each Series of the 2005 Bonds because the financing involves the sale of a complex financing structure and volatile market conditions. Upon recommendation of the Treasurer in accordance with New Jersey Executive Order 26 (“Executive Order 26”), the Authority hereby appoints J.P. Morgan Securities Inc. as Senior Managing Underwriter in connection with each Series of the 2005 Bonds herein authorized and, upon recommendation of the Treasurer in accordance with Executive Order 26, an Authorized Authority Official is hereby authorized to select additional underwriter(s), including, but not limited to, additional co-senior Underwriters, in connection with each Series of the 2005 Bonds. Such appointments shall be evidenced by the execution of a Bond Purchase Contract (as defined below). The purchase of one or more Series of the 2005 Bonds from time to time by the Underwriters and the sale of one or more Series of the 2005 Bonds from time to time by the Authority to the Underwriters shall be subject to the execution by the Authority and the Senior Managing Underwriter, as representative of the Underwriters, of a Bond Purchase Contract (the “Bond Purchase Contract”) in substantially the form presented to this meeting. The Bond Purchase Contract, in substantially the form presented to this meeting, is hereby approved, provided that an Authorized Authority Official is hereby authorized, with the advice of Bond Counsel and the Attorney General of the State (the “State Attorney General”), to make such changes, insertions and deletions to and omissions from such form as may be necessary or appropriate. The Authorized Authority Officials are each hereby authorized and directed, in consultation with Bond Counsel and the State Attorney General, to negotiate the terms of the Bond Purchase Contract, to be dated the date of sale of each Series of the 2005 Bonds, between the Authority and the Senior Managing Underwriter, as representative of the Underwriters. The Authorized Authority Officials are, and each such Authorized Authority Official

is, hereby authorized and directed on behalf of the Authority to approve the terms of the Bond Purchase Contract relating to the sale of each Series of the 2005 Bonds and to execute and deliver the Bond Purchase Contract to the Senior Managing Underwriter, as representative of the Underwriters; provided, that, the provisions of the Bond Purchase Contract are acceptable to counsel to the Authority (including Bond Counsel and the State Attorney General) and (i) the amount of the compensation to be paid to the Underwriters does not exceed \$6.00 per \$1,000.00 of the 2005 Bonds, and (ii) the aggregate principal amount, the final maturity date or dates, the true interest cost and the redemption price of such Series of the 2005 Bonds does not exceed the limitations set forth in Section 2.1 of this Eighteenth Supplemental Resolution.

2.5. Approval of the Preliminary Official Statements.

A Preliminary Official Statement (the “Preliminary Official Statement”) relating to the sale of each Series of the 2005 Bonds in substantially the form presented to this meeting is hereby approved, provided that Appendix I (which is provided by the State) shall be included therein, and provided further that an Authorized Authority Official is hereby authorized, with the advice of Bond Counsel and the State Attorney General, to make such changes, insertions or deletions to and omissions from the form of the Preliminary Official Statement, as may be necessary or appropriate. An Authorized Authority Official is hereby authorized, with the advice of Bond Counsel and the State Attorney General, to execute and deliver a certificate that “deems final” the Preliminary Official Statement relating to each Series of 2005 Bonds pursuant to the provisions of Rule 15c2-12, and such certificate relating thereto shall be in a form acceptable to Bond Counsel and the State Attorney General.

2.6. Authorization of the Printing and Distribution of the Preliminary Official Statement.

The printing and distribution of the Preliminary Official Statement by an Authorized Authority Official in connection with the sale of each Series of the 2005 Bonds, with such changes, insertions, deletions and omissions in the Preliminary Official Statement as the Authorized Authority Official authorized to print and distribute the same shall approve, with the advice of Bond Counsel and the State Attorney General, is hereby authorized. Any Authorized Authority Official is further authorized and directed to take all such other actions as such Authorized Authority Official shall deem necessary or desirable to effect a public sale of each Series of the 2005 Bonds.

2.7. Approval of Continuing Disclosure Agreement.

A Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) relating to the sale of each Series of the 2005 Bonds in substantially the form presented to this meeting, is hereby approved, provided that an Authorized Authority Official is hereby authorized, with the advice of Bond Counsel and the State Attorney

General, to make such changes, insertions and deletions to and omissions from the form of the Continuing Disclosure Agreement as may be necessary or appropriate. The Authorized Authority Officials are hereby authorized and directed, with the advice of the Bond Counsel and State Attorney General, to enter into and execute a Continuing Disclosure Agreement with the Treasurer and the Trustee, as dissemination agent, relating to each Series of the 2005 Bonds and to execute such documents and instruments relating to continuing disclosure as may be necessary or desirable to enable brokers, dealers and municipal securities dealers to comply with Rule 15c2-12.

2.8. Additional Proceedings.

As additional proceedings of the Authority in connection with the sale, issuance and delivery of each Series of the 2005 Bonds hereby authorized, there is hereby delegated to the Authorized Authority Officials the power to take the following actions and make the following determinations as to each Series of the 2005 Bonds by executing and delivering a Series Certificate or Certificates of any one such Authorized Authority Official:

(a) To determine, subject to the provisions of this Eighteenth Supplemental Resolution, the appropriate Series designations, the interest rate or rates, the dated dates, the interest and principal payment and maturity dates and the denomination or denominations (not exceeding the aggregate principal amount of each maturity) of each Series of the 2005 Bonds and any other provisions necessary to comply with the Resolution or deemed necessary or advisable by such Authorized Authority Official and which provisions are not in conflict with or in substitution for the provisions of the Resolution.

(b) To acknowledge receipt of prior approval letters of the Governor and the Treasurer as required by Section 9a of the Act approving the adoption by the Authority of this Eighteenth Supplemental Resolution and the issuance of each Series of the 2005 Bonds.

(c) To file, with the Trustee, a copy of this Eighteenth Supplemental Resolution certified by an Authorized Officer of the Authority, along with an opinion of Bond Counsel, which filing is required by Article X of the Resolution.

(d) To execute one or more final Official Statements of the Authority, dated the date of sale of each Series of the 2005 Bonds, substantially in the form of the Preliminary Official Statement for such Series of the 2005 Bonds, with such insertions, revisions, deletions and omissions as may be authorized by the Authorized Authority Official executing the same, with the advice of Bond Counsel and the State Attorney General, and to deliver a final Official Statement to the Underwriters and to authorize the use of the final Official Statement and the information contained therein in connection with the offering and sale of each Series of the 2005 Bonds.

(e) To determine the application of the proceeds of each Series of the 2005 Bonds in accordance with the provisions of Section 2.2 hereof.

(f) To make the determination of the amount of each Series of the 2005 Bonds to be issued and sold from time to time.

(g) To purchase a municipal bond insurance policy or policies with respect to any or all of the maturities of each Series of the 2005 Bonds if an Authorized Authority Official, in consultation with the Treasurer, determines that such policy or policies of municipal bond insurance is necessary or desirable to achieve the economic objectives of the Authority, to include in the Series Certificate such provisions relating to the insurance policy or policies as such Authorized Authority Official, with the advice of Bond Counsel, the State Attorney General, or his designees, and the Treasurer, deems appropriate and to include on the form of any 2005 Bond which is insured by a municipal bond insurance policy a statement of insurance in the form requested by the issuer of such municipal bond insurance policy.

(h) To select a firm to act as its broker or bidding agent to solicit bids to enter into or purchase Investment Securities with the proceeds from the 2005 Bonds in the event that such Authorized Authority Official determines that it is advantageous to the Authority to invest any proceeds of the 2005 Bonds in such Investment Securities.

(i) Prior to the issuance of the first Series of the 2005 Bonds, to make such revisions to this Eighteenth Supplemental Resolution as may be requested by Fitch, Moody's and/or S&P in connection with their respective ratings of such Series of the 2005 Bonds, or by the issuer of any insurance policy insuring any of the 2005 Bonds of such Series, provided that such revisions, if any, shall be memorialized in the Series Certificate for such Series of the 2005 Bonds.

(j) To make such other determinations, to execute such other documents, instruments and papers and to do or refrain from such acts and things as may be necessary or advisable under the Resolution or in connection with the issuance, sale and delivery of, and security for, each Series of the 2005 Bonds and which are not inconsistent with the provisions of this Eighteenth Supplemental Resolution or the Resolution.

All matters determined by an Authorized Authority Official under the authority of this Eighteenth Supplemental Resolution shall constitute and be deemed matters incorporated into this Eighteenth Supplemental Resolution and approved by the Authority, and whenever an Authorized Authority Official is authorized, directed or delegated the power to take or refrain from taking any action pursuant to this Eighteenth Supplemental Resolution with or upon the advice, consent or consultation with or by any other person, agency, office or official, a certificate of such Authorized Authority Official may be relied upon as being determinative that such advice, consultation or consent has in fact occurred and that such actions or omissions of the Authorized Authority Official are valid and binding.

2.9. Denomination, Numbers and Letters.

The 2005 Bonds shall be issued in fully registered form in denominations as set forth in the applicable Series Certificate. Unless the Authority shall otherwise direct, each Series of the 2005 Bonds shall be lettered and numbered from one upward

preceded by the letter “R” prefixed to the number. Subject to the provisions of the Resolution, the form of the 2005 Bonds and the Trustee’s certificate of authentication thereon shall be substantially in the form set forth in Section 2.13 of this Eighteenth Supplemental Resolution.

2.10. Redemption.

Each Series of the 2005 Bonds may be subject to redemption prior to maturity, at the option of the Authority, as set forth in the applicable Series Certificate and may be subject to mandatory sinking fund redemption as set forth in the applicable Series Certificate. Any 2005 Bonds that are issued as term bonds, shall be subject to mandatory sinking fund redemption prior to maturity at a Redemption Price of one hundred percent (100%) of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, from moneys deposited in the Debt Service Fund established under the Resolution, such redemptions to occur according to the principal maturity schedule determined by the Authority in accordance with the applicable Series Certificate. The principal amount of a Series of the 2005 Bonds otherwise required to be redeemed may be reduced by the principal amount of such Series of the 2005 Bonds theretofore purchased by the Trustee at the direction of the Authority out of moneys deposited for such purpose in the Debt Service Fund.

2.11. Book-Entry Only System.

1. Except as provided in subparagraph (3) of this Section 2.11, the registered Holder of all of the Bonds of each Series of the 2005 Bonds shall be, and the 2005 Bonds of such Series shall be registered in the name of, Cede & Co., as nominee of DTC. With respect to the 2005 Bonds for which Cede & Co. shall be the registered Holder, payment of semiannual interest on such 2005 Bonds shall be made by wire transfer of same day funds to the account of Cede & Co. on the Interest Payment Dates for such 2005 Bonds at the address indicated for Cede & Co. in the registration books of the Authority kept by the Trustee, as Bond Registrar.

2. The 2005 Bonds of a Series shall be initially issued in the form of a separate fully registered bond in the amount of each separate maturity. Upon initial issuance, the ownership of each such 2005 Bond shall be registered on the registration books of the Authority kept by the Trustee in the name of Cede & Co. With respect to 2005 Bonds so registered in the name of Cede & Co., the Authority and the Trustee shall have no responsibility or obligation to any DTC participant, indirect DTC participant, or any beneficial owner of a 2005 Bond. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC participant or indirect DTC participant with respect to any beneficial ownership interest in a 2005 Bond, (ii) the delivery to any DTC participant, indirect DTC participant, beneficial owner or any other person, other than DTC or Cede & Co., of any notice with respect to a 2005 Bond, or (iii) the payment to any DTC participant, indirect DTC participant, beneficial owner or any other person, other than DTC or Cede & Co., of any amount with respect to the principal of, redemption premium, if any, or interest on a 2005 Bond. The Authority and the

Trustee may treat DTC as, and deem DTC to be, the absolute registered Holder of each 2005 Bond for the purpose of (i) payment of the principal of, redemption premium, if any, and interest on each such 2005 Bond, (ii) giving notices with respect to the 2005 Bond, (iii) registering transfers with respect to a 2005 Bond and (iv) for all other purposes whatsoever. The Trustee shall pay the principal of, redemption premium, if any, and interest on each Series of 2005 Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to such principal and interest to the extent of the sum or sums so paid. No person other than DTC shall receive a 2005 Bond evidencing the obligation of the Authority to make payments of principal and interest thereon pursuant to the Resolution. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions hereof, the words "Cede & Co." in this Eighteenth Supplemental Resolution shall refer to such new nominee of DTC.

3. (a) DTC may determine to discontinue providing its services with respect to a Series of the 2005 Bonds at any time by giving written notice to the Authority and discharging its responsibilities with respect thereto under applicable law. Upon receipt of such notice, the Authority shall promptly deliver a copy of same to the Trustee.

(b) The Authority, (i) in its sole discretion and without the consent of any other person, may discontinue the use of the system of book-entry only transfers through DTC (or a successor securities depository) with respect to a Series of the 2005 Bonds, in which event certificates for such Series of the 2005 Bonds shall be printed and delivered to DTC, and (ii) shall terminate the services of DTC with respect to a Series of the 2005 Bonds upon receipt by the Authority and the Trustee of written notice from DTC to the effect that DTC has received written notice from DTC participants or indirect DTC participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding 2005 Bonds of such Series to the effect, that (A) DTC is unable to discharge its responsibilities with respect to such Series of the 2005 Bonds; or (B) a continuation of the requirement that all of the Outstanding 2005 Bonds of such Series be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of such Series of the 2005 Bonds.

(c) Upon the termination of the services of DTC with respect to all or any portion of a Series of the 2005 Bonds pursuant to subsection 2.11(3)(b)(ii)(A) hereof, or upon the discontinuance or termination of the services of DTC with respect to all or any portion of a Series of the 2005 Bonds pursuant to subsection 2.11(3)(a) or 2.11(3)(b)(ii)(B) hereof, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Authority, is willing and able to undertake such functions upon reasonable and customary terms, such 2005 Bonds (or the applicable portion thereof of such Series) shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging such 2005 Bonds shall designate, in accordance with the provisions of the Resolution. Upon the determination by any party authorized

herein that the 2005 Bonds (or any portion thereof of such Series) shall no longer be limited to book-entry only form, the Authority shall immediately advise the Trustee in writing of the procedures for transfer of such 2005 Bonds from such book-entry only form to a fully registered form.

4. Notwithstanding any other provision of this Eighteenth Supplemental Resolution to the contrary, so long as any 2005 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, redemption premium, if any, and interest on, and all notices with respect to, such 2005 Bond shall be made and given, respectively, to DTC as provided in the Letter of Representations of the Authority and the Trustee, addressed to DTC, with respect to the applicable Series of the 2005 Bonds.

5. In connection with any notice or other communication to be provided to Holders of the 2005 Bonds of any Series pursuant to the Resolution by the Authority or the Trustee with respect to any consent or other action to be taken by such Bondholders, the Authority or the Trustee, 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.

6. The Authority hereby authorizes the Treasurer, by and on behalf of the Authority, and in consultation with an Authorized Authority Official, to determine from time to time, subject to confirmation and ratification by the Authority, whether or not it is advisable for the Authority to continue the book-entry system or to replace DTC with another qualified securities depository as successor to DTC.

2.12. Application of Proceeds of the 2005 Bonds.

The proceeds of each Series of 2005 Bonds shall be applied as set forth in the applicable Series Certificate with respect to such Series.

2.13. Form of the 2005 Bonds and Trustee's Certificate of Authentication.

Subject to the provisions of the Resolution, the form of each Series of the 2005 Bonds and the Trustee's Certificate of Authentication therefor shall be of substantially the following tenor:

[FORM OF FULLY REGISTERED BOND]

Unless this Certificate is presented by the authorized representative of The Depository Trust Company to the Authority or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of CEDE & CO., or any other name as requested by an authorized representative of The Depository Trust Company (and any payment is made to CEDE & CO., or to such other entity as is requested by an authorized representative of The Depository Trust Company), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, CEDE & CO., has an interest herein.

**UNITED STATES OF AMERICA
STATE OF NEW JERSEY**

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
TRANSPORTATION SYSTEM BONDS, 2005 SERIES __**

THE PRINCIPAL OR REDEMPTION PRICE OF AND INTEREST ON THE 2005 SERIES __ BONDS ARE PAYABLE SOLELY FROM THE PLEDGED PROPERTY (AS DEFINED IN THE RESOLUTION) AND NEITHER THE STATE OF NEW JERSEY NOR ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION, IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THIS BOND AND THE ISSUE OF WHICH IT IS ONE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW JERSEY OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR THE ISSUE OF WHICH IT IS ONE.

No. R- _____ \$ _____

<u>Interest Rate</u> %	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Authentication Date</u>	<u>CUSIP No.</u>
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Registered Owner:

Principal Sum: _____ Dollars

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY (the "Authority"), a public body corporate and politic and an instrumentality of the State of New Jersey (the "State") created and existing under the laws of the State, acknowledges itself indebted to, and for value received hereby promises to pay to, the Registered Owner stated hereon or registered assigns, on the Maturity Date stated hereon, but solely from the funds pledged therefor, upon presentation and surrender of this bond at the principal corporate trust office of Commerce Bank, National Association, Cherry Hill, New Jersey (such bank and any successors thereto being herein called the "Paying Agent" and "Trustee"), the Principal Sum stated hereon in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and to pay from such pledged funds on _____ and _____, in each year,

commencing _____, 200_, until the Authority's obligation with respect to the payment of such Principal Sum shall be discharged to the Registered Owner hereof, interest from the Dated Date hereof on such Principal Sum by check or draft of the Trustee hereinafter mentioned mailed to such Registered Owner who shall appear as of the fifteenth (15th) day (or if such day shall not be a Business Day, the preceding Business Day) next preceding such interest payment date on the books of the Authority maintained by the Bond Registrar.

This bond is one of a duly authorized series of bonds of the Authority designated "Transportation System Bonds, 2005 Series ___" (herein called the 2005 Series ___ Bonds"), in the original aggregate principal amount of \$_____ issued under and in full compliance with the Constitution and Statutes of the State, and particularly chapter 73 of the Laws of New Jersey of 1984, as amended and supplemented (herein called the "Act"), and under and pursuant to a Resolution adopted by the Authority on June 15, 1995 entitled "1995 Transportation System Bond Resolution," as amended and supplemented, including as supplemented by an Eighteenth Supplemental Transportation System Bond Resolution of the Authority authorizing the 2005 Series ___ Bonds adopted on September 28, 2005 and a Series Certificate duly executed by an Authorized Officer of the Authority as of October _____, 2005 (collectively, the "Resolution").

As provided in the Resolution, the 2005 Series ___ Bonds and all other bonds issued under the Resolution on a parity with the 2005 Series ___ Bonds (herein collectively called the "Bonds") are direct and special obligations of the Authority payable solely from and secured as to payment of the principal and redemption price thereof, and interest thereon, in accordance with their terms and the provisions of the Resolution, solely by the Pledged Property, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution. Pledged Property under the Resolution includes the Revenue Contracts, the Revenues and Funds, including Investment Securities held in any such Funds thereunder, together with all proceeds and revenues of the foregoing and all of the Authority's right, title and interest in and to the foregoing and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Bonds in accordance with the terms and provisions of the Resolution; provided, however, that all amounts paid to the Authority from the Transportation Trust Fund Account created under the Act are subject to and dependent upon appropriations being made from time to time by the New Jersey State Legislature (the "State Legislature"). The State Legislature has no legal obligation to make any such appropriations. Copies of the Resolution are on file at the office of the Authority and at the above mentioned office of the Trustee, and reference is hereby made to the Act and to the Resolution and any and all supplements thereto and modifications and amendments thereof for a description of the pledge and assignment and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the holders of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and may be issued thereunder, the terms and provisions upon which this Bond shall cease to be entitled to any lien, benefit or security under the Resolution and for the other terms and provisions thereof. All covenants, agreements and obligations of the Authority under the Resolution may be discharged and satisfied at or prior to the maturity or redemption of this Bond if moneys or certain specified securities shall have been deposited with the Trustee.

As provided in the Resolution, Bonds may be issued from time to time pursuant to supplemental resolutions in one or more series, in various principal amounts, may mature at

different times, may bear interest at different rates and may otherwise vary as in the Resolution provided. The aggregate principal amount of Bonds which may be issued under the Resolution is not limited except as provided in the Act, and all Bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution, or any resolution amendatory thereof or supplemental thereto, may be modified or amended by the Authority, with the written consent of the holders of at least a majority in principal amount of the Bonds outstanding under the Resolution at the time such consent is given, and, in case less than all of the several series of Bonds then outstanding are affected thereby, with such consent of at least a majority in principal amount of the Bonds of each series so affected and outstanding; provided, however, that, if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain outstanding under the Resolution, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding Bonds. No such modification or amendment shall permit a change in the terms of redemption (including sinking fund installments) or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon without the consent of the holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee or of any Paying Agent without its written assent thereto.

This Bond is transferable, as provided in the Resolution, only upon the books of the Authority kept for that purpose at the above-mentioned office of the Trustee, as Bond Registrar, by the Registered Owner hereof in person, or by such Registered Owner's attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or such Registered Owner's duly authorized attorney, and thereupon a new fully registered bond or bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution and upon payment of the charges therein prescribed. The Authority, the Trustee and any Paying Agent may deem and treat the Registered Owner as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The 2005 Series ___ Bonds are subject to redemption prior to maturity, upon mailed notice as hereinafter provided:

[INSERT REDEMPTION PROVISIONS HERE]

The principal amount of the 2005 Series ___ Bonds otherwise required to be redeemed may be reduced by the principal amount of such 2005 Series ___ Bonds theretofore purchased by the Trustee at the direction of the Authority out of moneys deposited for such purpose in the Debt Service Fund.

If less than all bonds of like maturity are to be redeemed, the particular bonds to be redeemed shall be selected by the Trustee.

The 2005 Series ___ Bonds are payable upon redemption at the above mentioned offices of the Paying Agent. Notice of redemption, setting forth the place of payment, shall be mailed by the Trustee, postage prepaid, not less than twenty-five (25) days prior to the redemption date, to the registered owners of any bonds or portions of bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry books, all in the manner and upon the terms and conditions set forth in the Resolution. If notice of redemption shall have been mailed as aforesaid, the bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, moneys for the redemption of all the Bonds and portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Bonds or portions thereof so called for redemption shall cease to accrue and be payable. Failure of the registered owner of any Bonds which are to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of Bonds.

THE PRINCIPAL OR REDEMPTION PRICE OF AND INTEREST ON THE 2005 SERIES ___ BONDS ARE PAYABLE SOLELY FROM THE PLEDGED PROPERTY (AS DEFINED IN THE RESOLUTION) AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION, IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THIS BOND AND THE ISSUE OF WHICH IT IS ONE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR THE ISSUE OF WHICH IT IS ONE.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed and that the series of Bonds of which this is one, together with all other indebtedness of the Authority, complies in all respects with the applicable laws of the State, including, particularly, the Act.

This Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

IN WITNESS WHEREOF, the NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairperson, Vice Chairperson or Executive Director, and its seal to be impressed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the Dated Date hereof.

**NEW JERSEY TRANSPORTATION
TRUST FUND AUTHORITY**

By: _____
Chairperson, Vice-Chairperson or
Executive Director

[SEAL]

ATTEST:

Secretary or Assistant Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION
ON ALL BONDS]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the 2005 Series Bonds delivered pursuant to the within mentioned Resolution.

**COMMERCE BANK, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Authorized Officer

Date of Authentication:

**ARTICLE III
MISCELLANEOUS**

3.1. Registration or Qualification of Bonds Under Blue Sky Laws of Various Jurisdictions.

The Authorized Authority Officials are authorized and directed on behalf of the Authority to take any and all action which they deem necessary or advisable in order to effect the registration or qualification (or exemption therefrom) of each Series of the 2005 Bonds for issue, offer, sale or trade under the blue sky or securities laws of any of the states of the United States of America and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports (except consents to service of process in any jurisdiction outside the State) and other papers and instruments which may be required under such laws, and to take any and all further action which they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem necessary or as required by law or by the Underwriters for such securities.

3.2. Payments from Authority Reserve Fund.

Notwithstanding any provision of the Resolution to the contrary, any amounts paid from the Authority Reserve Fund in accordance with the Tax Certificate of the Authority concerning the Code which shall accompany the original issuance and delivery of each Series of the 2005 Bonds shall be deemed operating expenses for purposes of Section 509 of the Resolution and the Authority may provide therefor in its Annual Budget.

**ARTICLE IV
EFFECTIVE DATE**

4.1. Effective Date.

This Eighteenth Supplemental Resolution shall take effect upon its adoption in accordance with the Act, but this Eighteenth Supplemental Resolution shall not become effective and no action shall be taken hereunder unless and until (i) the Chairperson or the Executive Director of the Authority shall have received the written approval of the Governor and the Treasurer as required pursuant to Section 9 of the Act, and (ii) a copy of this Eighteenth Supplemental Resolution, certified by an Authorized Officer of the Authority, shall be filed with the Trustee, along with the opinion of Bond Counsel required by Article X of the Resolution.

The motion to adopt the Eighteenth Supplemental Resolution was seconded by Mr. Ripa and adopted on a call of roll as follows:

Yeas: 5

Nays: 0

Deputy Commissioner Snyder then asked Mr. Hanson to give a brief overview of the costs of issuance associated with the Transportation System Bonds, 2005 Series.

Mr. Hanson stated that it was a standard cost of issuance. Bond insurance will only be used if the Authority will get a better interest rate for the bonds. It was asked if the Authority knew what the interest rate would be. Tracey Keays, J.P. Morgan Securities Inc., did not have an answer to that question as yet.

DAG Aimee Manocchio Nason stated that the underwriter and underwriter's counsel's fees should not be included in the cost of issuance. She stated that these fees were included in prior years but it was done in error. Bond Counsel John Kelly stated that the underwriter's spread and underwriter's counsel fees are included in the Supplemental Resolution. He also stated it is a mechanical issue but the Board is not authorizing these fees in the costs of issuance. The cost of issuance was then recalculated without the underwriter's spread and the underwriter's counsel's fees. The new total for the costs of issuance for the Transportation System Bonds, 2005 Series was \$12,306,736.

Deputy Commissioner Snyder asked for a motion to adopt the resolution authorizing the payment of the costs of issuance that are expected to be incurred in connection with the issuance of the Transportation System Bonds, 2005 Series. Such expenses include those of bond counsel, the three rating agencies, the bond insurer, if any, the trustee, the financial advisor, the structuring fee of the Office of Public Finance, the printer for the official statement, and

advertising, accounting and miscellaneous expenses. The resolution authorizes the Executive Director to pay these expenses, provided that each of the expenses is not in excess of ten percent (10%) of the amount indicated.

Mr. Beachem moved the resolution authorizing the Costs of Issuance relating to the Transportation System Bonds, 2005 Series.

WHEREAS, by virtue of the provisions of the New Jersey Laws of 1984, as amended (the "Act"), N.J.S.A. 27:1B-1 et seq., the New Jersey Transportation Trust Fund Authority (the "Authority") is authorized to issue its bonds, notes and other obligations (collectively, the "Obligations") from time-to-time and to sell such Obligations at public or private sale at a price or prices and in a manner as the Authority shall determine; and

WHEREAS, the Authority has determined at its meeting on September 28, 2005 to authorize the issuance of its Transportation System Bonds, 2005 Series (the "Bonds"), in an aggregate principal amount not to exceed \$1,100,000,000; and

WHEREAS, in connection with the issuance of the Bonds, it will be necessary for the Authority to incur various costs of issuance as described in Exhibit A attached (the "Costs of Issuance"); and

WHEREAS, the Authority has determined that the Costs of Issuance should be approved for payment upon completion of the issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED, that:

1. The Costs of Issuance as described in Exhibit A attached are hereby approved for payment upon the issuance of the Bonds in an amount not in excess of ten percent (10%) of each of the amounts shown.
2. The Executive Director is hereby authorized to take and do any and all acts and things as may be necessary in connection with the payment of such Costs of Issuance.
3. This Resolution shall take effect upon adoption in accordance with the Act.

**EXHIBIT A - COSTS OF ISSUANCE
TRANSPORTATION SYSTEM BONDS 2005 SERIES**

Bond Counsel	Wilentz, Goldman & Spitzer	\$ 100,000
Printer	<i>St. Ives Financial</i>	40,000
Rating Agencies	<i>S&P, Moody's, Fitch</i>	207,500
Bond Insurance	<i>To Be Determined (based on .75%)</i>	11,736,736
Trustee and Counsel	<i>Commerce Bank</i>	20,000
Financial Advisor	<i>The PFM Group</i>	125,000
Accounting/ Miscellaneous	<i>Mercadien, P.C. Various</i>	2,500
Structuring Fee	<i>Office of Public Finance</i>	<u>75,000</u>
	<u>TOTAL</u>	<u>\$ 12,306,736</u>

The above resolution was seconded by Mr. Ferris and adopted on a call of roll as follows:

Yeas: 5

Nays: 0

Deputy Commission Snyder asked Executive Director Hanson to give the Board an overview of where the Department is regarding the Rt. 52 Causeway Project. Mr. Hanson stated that FHWA approved the authorization for the project. The Rt. 52 Causeway Project will be advertised on September 29, 2005. It will take approximately eight (8) weeks to receive the bids. Once a decision is made to accept a bid, the Department will go out and size the project.

Mr. Beachem stated it was his understanding of the project that one phase of the overall project would be started this fall and the second phase will start several years down the road when the first phase is finished.

Mr. Hanson responded that Contract A will begin this fall and is the larger construction piece. Contract B will start when Contract A is finished. Contract B is the tie ins.

There being no more discussion Deputy Commissioner Snyder asked for a motion to adopt a resolution authorizing the payment of expenses that are expected to be incurred in connection with the issuance of the Grant Anticipation Bonds, 2005 Series A. Mr. Ferris moved the resolution:

WHEREAS, by virtue of the provisions of the New Jersey Laws of 1984, as amended (the "Act"), N.J.S.A. 27:1B-1 et seq., the New Jersey Transportation Trust Fund Authority (the "Authority") is authorized to issue its bonds, notes and other obligations (collectively, the "Obligations") from time-to-time and to sell such Obligations at public or private sale at a price or prices and in a manner as the Authority shall determine; and

WHEREAS, the Authority determined at its meeting on May 26, 2005 to authorize the issuance of its Grant Anticipation Bonds, 2005 Series A (the "Grant Anticipation Bonds"), in an aggregate principal amount not to exceed \$175,000,000; and

WHEREAS, in connection with the issuance of the Grant Anticipation Bonds, it will be necessary for the Authority to incur various costs of issuance (“Costs of Issuance”) as described in Exhibit A attached; and

WHEREAS, the Authority has determined that the Costs of Issuance should be approved for payment upon completion of the issuance of the Grant Anticipation Bonds;

NOW, THEREFORE, BE IT RESOLVED, that:

1. The Costs of Issuance as described in Exhibit A attached are hereby approved for payment upon the issuance of the Grant Anticipation Bonds in an amount not in excess of ten percent (10%) of each of the amounts shown.
2. The Executive Director is hereby authorized to take and do any and all acts and things as may be necessary in connection with the payment of such Costs of Issuance.
4. This Resolution shall take effect upon adoption in accordance with the Act.

**EXHIBIT A - COSTS OF ISSUANCE
GRANT ANTICIPATION BONDS, 2005 SERIES A**

Bond Counsel	<i>Cozen O'Connor</i>	\$ 100,000
Printer	<i>St. Ives Financial</i>	65,000
Rating Agencies	<i>S&P</i>	45,000
	<i>Moody's</i>	46,200
	<i>Fitch</i>	45,000
Bond Insurance	<i>To Be Determined (based on 1.20%)</i>	1,449,543
Trustee	<i>Commerce Bank</i>	5,000
Trustee's Counsel	<i>To Be Determined</i>	5,000
Financial Advisor	<i>Altman & Co.</i>	75,000
Accounting/	<i>Mercadien, P.C.</i>	2,500
Miscellaneous	<i>Various</i>	
Structuring Fee	<i>Office of Public Finance</i>	<u>50,000</u>
	<u>TOTAL</u>	<u>\$ 1,888,243</u>

The above resolution was seconded by Mr. Beachem and adopted on a call of roll as follows:

Yeas: 5

Nays: 0

Deputy Commissioner Snyder asked Mr. Hanson to explain and summarize the need for the Authority to appoint a custodian of records and respond to questions the Board may have. Mr. Hanson explained that the OPRA Laws affect the State of New Jersey and Authorities within the State of New Jersey. At the present time, OPRA requests, including those for the Authority, are funneled through the Department. The Authority needs to designate a custodian of records. Then, any OPRA requests asking for information relating to the Authority will come directly to the Authority. Mr. Hanson explained that the Authority is a separate entity from the Department and he would like all OPRA requests asking for Authority information to come directly to the Authority.

After Mr. Hanson's summary, Deputy Commissioner Snyder asked for a motion to adopt a resolution appointing the secretary of the Board of the Authority as the Custodian of Records in accordance with the Open Public Records Act, N.J.S.A. 47:1A-1 et seq. Mr. Ripa moved the resolution:

WHEREAS, the New Jersey Transportation Trust Fund Authority (the "Authority") was established pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984, P.L. 1984, c. 73, as amended (N.J.S.A. 27:1B-1 et seq.)(the "Act"), and is authorized, pursuant to the Act, to make and alter the By-laws for its organization and internal management and rules and regulations for the conduct of its affairs and business; and

WHEREAS, pursuant to Article IX of the duly adopted By-laws of the Authority, the Authority shall name and appoint, from time to time, such additional officers, consultants and employees as it may require and shall by resolution or amendment to the By-laws designate their duties and under whose supervision or direction they serve; and

WHEREAS, the Open Public Records Act ("OPRA"), N.J.S.A. 47:1A-1 et seq., requires the appointment of a Custodian of Records; and

WHEREAS, since the effective date of OPRA, the Authority has utilized the Custodian of Records appointed by the New Jersey Department of Transportation (“NJDOT”) to comply with the requirements of OPRA; and

WHEREAS, the Authority has determined that it is in its best interests to appoint a separate Custodian of Records to respond on behalf of the Authority to requests for governmental public records under OPRA; and

NOW, THEREFORE, BE IT RESOLVED that:

1. The secretary of the Authority’s board is hereby appointed as the Custodian of Records.
2. The Custodian of Records shall have the duties of a custodian as set forth in OPRA.
3. This Resolution shall take effect upon adoption in accordance with the Act.

The above resolution was seconded by Mr. Ferris and adopted on a call of roll as follows:

Yeas: 5

Nays: 0

Deputy Commission Snyder then asked for nominations for the position of Treasurer of the Board. Mr. Ferris nominated Jim Petrino. Mr. Beachem seconded the nomination. There being no further nominations from the floor, the nominations were closed.

Deputy Commissioner Snyder asked for a motion to adopt a resolution electing Jim Petrino to serve as Treasurer of the Authority. Mr. Ripa moved the resolution:

WHEREAS, the Bylaws of the Authority provide for the annual election by the Authority of a Vice-Chairperson, Treasurer, Secretary, and Assistant Secretary; and

WHEREAS, a vacancy has occurred in the office of Treasurer of the Authority; and

WHEREAS, the Authority desires to fill the office of Treasurer;

NOW, THEREFORE, BE IT RESOLVED, that the Authority elects Mr. James Petrino to serve in the capacity of Treasurer for the Fiscal Year 2005:

The above resolution was seconded by Mr. Ferris and adopted on a call of roll as follows:

Yeas: 5

Nays: 0

Deputy Commission Snyder asked Executive Director Hanson to brief the Board on the proposal regarding the use of excess monies remaining in the 2005 Series A Transportation System Escrow Fund and to respond to Board questions. Mr. Hanson stated that there are excess monies in the Transportation System Escrow Fund relating to the 2005 Series A Transportation System Bonds, which were refunding bonds. Mr. Hanson would like to take these monies and deposit them into the Authority's Transportation Improvement Fund to be use for construction projects. There is approximately \$3 million in the 2005 Series A Transportation System Escrow Fund. The Authority needs a legal opinion regarding this use under the escrow deposit agreement. Mr. Beachem asked if the Authority needed to retain a law firm to obtain the aforementioned opinion. Mr. Hanson stated that he has asked Jerry Ostow, bond counsel for the 2005 Series A Transportation System Bonds, to review the matter and deliver an opinion.

In the resolution, the Board is being asked to delegate authority to the Executive Director to transfer the remaining funds in the Escrow Fund into the Transportation Improvement Fund upon receipt of a favorable opinion from bond counsel.

There being no further discussion from the floor, Deputy Commissioner Snyder asked for a motion to adopt a resolution authorizing an Authorized Authority Official to transfer the funds remaining in the 2005 Series A Transportation System Escrow Fund into the Transportation Improvement Fund established under the Authority's 1995 Transportation System Bond Resolution adopted June 15, 1995, as supplemented, upon compliance with the terms of the applicable escrow deposit agreement, including obtaining an opinion of nationally recognized municipal bond counsel regarding such use of these funds Mr. Ferris moved the resolution:

WHEREAS, by virtue of the provisions of chapter 73 of the New Jersey Laws of 1984, as amended and supplemented (the “Act”), N.J.S.A. 27:1B-1 et seq., the New Jersey Transportation Trust Fund Authority (the “Authority”) is authorized to issue its bonds, notes and other obligations (collectively, the “Obligations”) from time to time and to sell such Obligations at public or private sale at a price or prices and in a manner as the Authority shall determine; and

WHEREAS, pursuant to its 1995 Transportation System Bond Resolution adopted June 15, 1995, as supplemented, including a Fifteenth Supplemental Transportation System Bond Resolution adopted on March 23, 2004 and a Series Certificate of the Authority (collectively the “Resolution”), the Authority issued its Transportation System Bonds, 2005 Series A (the “2005 Series A Bonds”) on March 22, 2005, to refund certain outstanding Transportation System Bonds of the Authority (the “Refunded Bonds”) (hereinafter, capitalized terms used but not defined herein shall have the meanings set forth in the Resolution); and

WHEREAS, pursuant to the terms of an Escrow Deposit Agreement dated March 22, 2005 (the “Escrow Agreement”) by and between the Authority and Commerce Bank, National Association, as Escrow Agent (the “Escrow Agent”), a portion of the proceeds of the 2005 Series A Bonds was deposited with the Escrow Agent and applied to the purchase of the United States Treasury Securities, State and Local Government Series (“SLGS”) described in Schedule A to the Escrow Agreement (the “Escrow Securities”); and

WHEREAS, the Escrow Securities were held by the Escrow Agent in the 2005 Series A Transportation System Escrow Fund (the “Escrow Fund”) established pursuant to the Escrow Agreement until the Refunded Bonds were redeemed and defeased on June 15, 2005; and

WHEREAS, Section 9 of the Escrow Agreement provides that after all monies are paid as required pursuant to the terms of the Escrow Agreement, the balance of moneys, if any, remaining in the Escrow Fund (the “Remaining Funds”) shall thereafter either (i) be transferred to the Debt Service Fund established pursuant to the Resolution to be applied to pay Debt Service on the 2005 Series A Bonds on the next Payment Date for such Bonds or (ii) be applied in such other manner as may be approved by an Authorized Authority Official; provided however, that the Authority shall receive the opinion of nationally recognized municipal bond counsel to the effect that the proposed use of such funds would not adversely affect the exclusion from gross income of interest on the 2005 Series A Bonds for purposes of federal income taxation; and

WHEREAS, the Authority wishes to deposit the Remaining Funds in the Escrow Fund into the Transportation Improvement Fund established under the Resolution and apply them to pay State Transportation System Costs; and

WHEREAS, the Authority desires to authorize an Authorized Authority Official to take the necessary steps to transfer the Remaining Funds to the Transportation Improvement Fund and apply them to pay State Transportation System Costs; and

WHEREAS, pursuant to the terms of the Escrow Agreement, a nationally recognized municipal bond counsel firm must provide an opinion regarding the use of the Remaining Funds;

NOW, THEREFORE, BE IT RESOLVED, that:

1. The Authority hereby authorizes an Authorized Authority Official to transfer the Remaining Funds in the Escrow Fund into the Transportation Improvement Fund established under the Resolution and apply them to pay State Transportation System Costs, upon advice of the Attorney General of the State, and upon receipt of a satisfactory opinion of McManimon & Scotland, L.L.C., to the effect that such proposed use of the Remaining Funds would not adversely affect the exclusion from gross income of interest on the 2005 Series A Bonds for purposes of federal income taxation
2. McManimon & Scotland, L.L.C. has been selected as Bond Counsel for this matter through a competitive RFP/RFQ process performed by the Attorney General's Office on behalf of Treasury for State appropriation backed transactions. McManimon & Scotland, L.L.C. will serve as bond counsel on behalf of the Authority in connection with this matter.
3. The Authorized Authority Officials are hereby authorized to take and do any and all acts and things as may be necessary to carry out the terms of this Resolution.
4. This Resolution shall take effect upon adoption in accordance with the Act.

The above resolution was seconded by Mr. Petrino and adopted on a call of roll as follows:

Yeas: 5

Nays: 0

There being no further business coming before the Authority, Deputy Commissioner Snyder requested a motion to adjourn the meeting. Mr. Beachem moved that the annual meeting be adjourned, and Mr. Ferris seconded the motion, which was unanimously adopted.

The meeting of the New Jersey Transportation Trust Fund Authority ended at approximately 11:00 a.m.

Respectfully submitted,

Sandra S. Deon,
Secretary of the Authority