

## NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

Minutes of the meeting of the New Jersey Transportation Trust Fund Authority (“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 October 26, 2012 at 1:09PM (EDT).

The following Authority members were present:

- Joseph Mrozek, Deputy Commissioner, New Jersey Department of Transportation (NJTOT); Designee for James S. Simpson the Chairman, New Jersey Transportation Trust Fund Authority (NJTTFA)
- Steven Petrecca, Assistant State Treasurer, New Jersey Office of the Treasurer (Designee for the Honorable Andrew P. Sidamon-Eristoff, New Jersey State Treasurer)
- Gregory Lalevee, NJ TTFA Vice Chairman - (Via teleconference)
- Robert Briant, Jr., NJ TTFA Public Member - (Via teleconference)
- Nelson Ferreira, NJ TTFA Public Member
- Joseph Ripa, NJ TTFA Public Member - (Via teleconference)

Constituting a quorum of the Members of the Authority.

There were also present:

- Gary J. Brune, NJTTFA Executive Director; CFO, NJDOT
- Charles Ellinwood, Barclays
- Michael Zarrella, Barclays
- John Gerbino, Barclays
- Adam Wendell, McCarter & English, LLP
- Aimee Manocchio Nason, Deputy Attorney General, NJDOL
- Lynn Besancon, Deputy Attorney General, NJDOL
- Kerstin Sundstrom, Governor’s Authorities Unit
- Linda Davino, NJTTFA Secretary
- Mina Tsintzas, NJTTFA Assistant Secretary
- Judith Sigle, NJTTFA Comptroller; Director, NJDOT
- Samuel Braun, Division of Accounting and Auditing, NJDOT
- Anthony Longo, Manager, Office of Public Finance
- Jacqueline Shanes, McCarter & English, LLP – Via teleconference

Deputy Commissioner Joseph Mrozek presided at the meeting and Linda Davino, Secretary, kept the minutes.

Deputy Commissioner Joseph Mrozek convened the meeting at 1:09 PM. He introduced himself 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 Act. Notice was filed with the Secretary of State. This notice was also e-mailed to five [5] newspapers of general distribution (The Trentonian, Trenton Times, Camden Courier Post, Star Ledger, and the Atlantic City Press); posted on the Authority's website, and posted in the main entrance of the New Jersey Department of Transportation's Headquarters."*

Secretary Linda Davino called the roll. The following acknowledged their presence: Joseph Mrozek, Nelson Ferreira, Steven Petrecca, and via teleconference; Joseph Ripa, Robert Briant, Jr. and Gregory Lalevee.

After acknowledging that a quorum was present, Deputy Commissioner Joseph Mrozek called the first order of business by requesting a motion to approve the minutes of the TTFA Board meeting held on October 10, 2012.

Mr. Briant moved the following resolution approving the minutes of the Authority's October 10, 2012 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 the meetings of the Authority be approved by the Authority.

**NOW, THEREFORE, BE IT RESOLVED**, that the minutes taken at the meeting of October 10, 2012 of the New Jersey Transportation Trust Fund Authority are hereby approved.

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

Yeas: 6

Nays: 0

As the next order of business, Joseph Mrozek, designee for the Chairman requested Gary Brune to lead a discussion pertaining to the request for approval of the amended fiscal year 2013 Financial Plan for resubmission to the Legislature.

Gary Brune pointed out that the original FY2013 Financial Plan was filed in the spring of 2012 and that it must now be updated due to changes implemented in the FY2013 Appropriations Act and the TTFA reauthorization bill enacted in June, 2012. Specifically, the FY2013 Appropriations Act eliminated \$261 million in pay-as-you-go financing and increased the FY2013 bond cap by a like amount, raising it from \$986 million to \$1,247 million. In addition, the TTFA reauthorization signed into law in June, 2012, created a new type of bond, namely the Transportation Program Bonds, the debt service for which is completely funded from constitutionally-dedicated sources, and it distinguished those bonds from those issued under the TTFA Act as last re-authorized in 2006 (i.e., Transportation System Bonds) by creating separate

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accounts for each. Subject to Board approval, the revised FY2013 Financial Plan will be forwarded by the Commissioner of the Department of Transportation to the Governor's Office, the Legislature, and the Financial Policy Review Board.

Deputy Commissioner Joseph Mrozek asked if there were any further discussion and then requested a motion to adopt the resolution entitled, "Resolution Amending the Fiscal Year 2013 Financial Plan Approved by The New Jersey Transportation Trust Fund Authority".

Mr. Petrecca moved the following resolution approving the amended fiscal year 2013 Financial Plan for resubmission to the Legislature:

**RESOLUTION AMENDING THE FISCAL YEAR 2013 FINANCIAL PLAN APPROVED BY THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY ON MARCH 21, 2013**

**WHEREAS**, by virtue of the provisions of Chapter 73 of the Laws of New Jersey 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**, pursuant to the Act, the Commissioner of the Department of Transportation is required to submit a report to the Senate and General Assembly, the Governor's Office and the Financial Policy Review Board, which report shall contain, among other things, a description of the projects to be financed in the ensuing fiscal year and a financial plan designed to implement the financing of the proposed projects; and

**WHEREAS**, on March 21, 2012, the Authority approved a financing plan for transportation projects for Fiscal Year 2013 (the "2013 Financial Plan") and authorized the Executive Director of the Authority to submit the 2013 Financial Plan to the Commissioner of the Department of Transportation for submission to the Senate and the Assembly, the Governor's Office and the Financial Policy Review Board; and

**WHEREAS**, the Authority has determined that it is desirable and in the best interest of the Authority to amend the Fiscal Year 2013 Financial Plan as described below and as set forth in the Amended to 2013 Financial Plan attached hereto as Exhibit "A" (the "Amended 2013 Financial Plan");

**NOW, THEREFORE, BE IT RESOLVED THAT:**

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1. The 2013 Financial Plan is hereby amended, in pertinent part, as follows:
  - (a) Two new sections are added to the Introduction labeled “Amendment to Fiscal Year 2013 Financial Plan” and “2012 Amendments to TTFA Act”. The first clarifies that the amendments to the Plan reflect changes made in the Fiscal Year 2013 Appropriations Act, L. 2012, c. 18, and in the 2012 amendments to the Transportation Trust Fund Authority Act, L. 2012, c 13. The second section highlights the fact that the 2012 TTFA Act amendments increased the bond cap for Fiscal Year 2013 to a total of \$1,247 million and authorized a new type of bond, Transportation Program Bonds, payable solely from constitutionally-dedicated revenues.
  - (b) References to pay-as-you-go capital of \$261 million in Fiscal Year 2013 are reduced to zero, and the TTFA bond cap is increased by a like amount, to reflect changes made in the 2012 TTFA Act amendments and the Fiscal Year 2013 Appropriations Act. These changes appear, among other places, in the text on page 2 of Section III – “New Jersey Capital Plan, in the chart entitled, “New Jersey Capital Transportation Plan” in Section III and in the chart entitled “Fiscal Year 2013: Statement of Anticipated Changes in Cash Position” in Section IV.
  - (c) Reference is made in the Introduction, Section IV. “Debt Issuances – A. Debt Issuance – Fiscal Year 2013’s \$1.6 Billion Capital Plan” and “Section IV. Debt Issuance – D. Fiscal Year 2013 Statutory Debt Limit” to the expected carryforward of approximately \$326 million in unused bond cap from the 2006 Reauthorization into Fiscal Year 2013 from prior fiscal years, and the sale of these bonds as part of the expected issuance of \$1,247 million in new debt during Fiscal Year 2013.
2. The Authority hereby approves the Amended 2013 Financial Plan.
3. The Authority hereby authorizes the Executive Director to forward on behalf of the Authority a copy of this Resolution, including Exhibit A, which contains the Amended 2013 Financial Plan, to the Commissioner of the Department of Transportation for submission to the Senate and General Assembly, the Governor’s Office and the Financial Policy Review Board.
4. This Resolution shall take effect upon adoption in accordance with the Act.

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

Yeas: 6

Nays: 0

Next, Deputy Commissioner Joseph Mrozek requested Gary Brune to lead a discussion pertaining to the request for approval of the Twenty-Eighth Supplemental Resolution Authorizing the Issuance of Transportation System Bonds, 2012 Series.

Gary Brune indicated that this resolution authorizes the issuance of nearly all of the \$326,255,000 in bond cap that carried forward from prior TTFA programs. It also authorizes the change in the TTFA's trustee so that the Authority can use the same trustee for the old and new bond issuances and to address certain banking issues. If approved, a solicitation (i.e., request for proposals) will be issued to secure a new trustee.

Adam Wendell, Bond Counsel, provided a further summary of the Resolution and its delegations of authority regarding interest rates, redemption, other information and selection of the Authority's new Trustee and approval of the Preliminary Official Statement, Bond Purchasing Agreement, Continuing Disclosure Agreement and the Third Amended and Restated State Contract.

Deputy Commissioner Joseph Mrozek asked if there were any further discussion and then requested a motion to adopt the resolution entitled, "Twenty-Eighth Supplemental Transportation System Bond Resolution".

Mr. Briant moved the following Resolution:

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**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**

**Not Exceeding \$326,255,000**

**Transportation System Bonds**

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**TWENTY-EIGHTH SUPPLEMENTAL TRANSPORTATION  
SYSTEM BOND RESOLUTION**

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**Adopted October 26, 2012**

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TABLE OF CONTENTS

Page

ARTICLE I  
AUTHORITY AND DEFINITIONS

1.1. Supplemental Resolution.....1  
1.2. Authority for this Twenty-Eighth Supplemental Transportation System Bond Resolution.1  
1.3. Definitions.....1

ARTICLE II  
AUTHORIZATION OF TWENTY-EIGHTH SUPPLEMENTAL BONDS

2.1. Maximum Principal Amount, Designation, Series and Other Details.....3  
2.2. Purpose.....4  
2.3. Determination in Accordance with Section 9(i) of the Act.....4  
2.4. [Reserved.].....4  
2.5. Authorization of Negotiated Sale.....4  
2.6. Approval of the Preliminary Official Statement.....5  
2.7. Authorization of the Printing and Distribution of the Preliminary Official Statement.....6  
2.8. Approval of Continuing Disclosure Agreement.....6  
2.9. [Reserved.].....6  
2.10. Additional Proceedings.....6  
2.11. Denomination, Numbers and Letters.....9  
2.12. Redemption.....9  
2.13. Book-Entry Only System.....9  
2.14. Application of Proceeds of the Twenty-Eighth Supplemental Bonds.....11  
2.15. Approval of Amended and Restated State Contract.....12  
2.16. Form of the Twenty-Eighth Supplemental Bonds and Trustee’s Certificate of Authentication.....12

ARTICLE III  
MISCELLANEOUS

3.1. Registration or Qualification of Bonds Under Blue Sky Laws of Various Jurisdictions. .20  
3.2. Payments from Authority Reserve Fund.....20

ARTICLE IV EFFECTIVE DATE

4.1. Effective Date.....21



**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**  
**TWENTY-EIGHTH SUPPLEMENTAL**  
**TRANSPORTATION SYSTEM BOND RESOLUTION**

**Adopted October 26, 2012**

**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 Twenty-Eighth Supplemental Transportation System Bond Resolution (the "Twenty-Eighth 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 Twenty-Eighth Supplemental Transportation System Bond Resolution.**

This Twenty-Eighth Supplemental Resolution is adopted (i) pursuant to the provisions of the New Jersey Transportation Trust Fund Authority Act of 1984, L. 1984, c. 73, as amended and supplemented (the "Act"), and (ii) in accordance with Article II and Article X of the Resolution. The provisions of Section 1.3(b) of this Twenty-Eighth Supplemental Resolution are adopted for purposes of clarifying certain provisions of the Resolution due to the enactment on June 29, 2012 of L. 2012, c.13, which amended certain provisions of the Act.

**1.3. Definitions.**

(a) All capitalized terms used herein and not otherwise defined shall have the same meanings, respectively, in this Twenty-Eighth Supplemental Resolution as such terms are given in the Resolution.

(b) The following defined terms contained in Section 101 of the Resolution are amended as follows:

1. The definition of "**Revenues**" is amended in its entirety to read as follows:

"Revenues" shall mean (i) all amounts appropriated and paid to the Authority from the Transportation Trust Fund Account - Subaccount for Debt Service for Prior Bonds in the State General Fund pursuant to the Act, (ii) any other amounts

appropriated and paid by the State to the Authority or received from any other source by the Authority and pledged by the Authority as security for the payment of Bonds, and (iii) interest received or to be received on any moneys or securities held pursuant to the Resolution and paid or required to be paid into the Transportation Improvement Fund); provided, however, that the term "Revenues" shall not include Financing Facility Revenues or "Revenues" as defined in any other resolution of the Authority.

2. The definition of "**State Contract**" is amended in its entirety to read as follows:

"State Contract" shall mean the contract to be entered into among the Treasurer, the Commissioner and the Authority prior to the issuance of the first Series of Bonds under this Resolution, together with any and all amendments and supplements thereto, and any other contract or contracts entered into by the Authority and the State or officers of the State pursuant to the Act which contract or contracts provide) among other things, for the credit of amounts to the Transportation Trust Fund Account - Subaccount for Debt Service for Prior Bonds and for payment, subject to appropriation, to the Authority of the amounts so credited pursuant to the Act.

(c) In addition, in this Twenty-Eighth Supplemental Resolution, the following terms shall have the meanings set forth below:

"**Amended and Restated State Contract**" means the "Third Amended and Restated Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act with respect to Transportation System Bonds", by and among the Treasurer, the Commissioner and the Authority, approved by the Authority pursuant to Section 2.15 of this Twenty-Eighth Supplemental Resolution.

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

"**Bond Counsel**" shall mean McCarter & English, LLP, or any other attorney or firm of attorneys selected from time to time by the Authority having recognized standing and expertise in the field of law relating to municipal finance and whose legal opinions are generally accepted by purchasers of municipal obligations.

"**Bond Purchase Contract**" shall have the meaning given to such term in Section 2.5 of this Twenty-Eighth Supplemental Resolution.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended and supplemented, and the regulations promulgated thereunder.

"**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 Twenty-Eighth Supplemental Bonds.

**“New Money Bonds”** shall mean any Twenty-Eighth Supplemental Bonds which are issued for the purposes set forth in Section 2.2 hereof, as shall be determined in the Series Certificate for such Twenty-Eighth Supplemental Bonds pursuant to Section 2.10(a) hereof.

**“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 Barclays Capital Inc. in its capacity as the senior managing Underwriter for the Twenty-Eighth Supplemental Bonds.

**“Series Certificate”** shall mean the Series Certificate or Certificates to be executed by an Authorized Authority Official pursuant to Section 2.10 of this Twenty-Eighth Supplemental Resolution.

**“Tax-Exempt Twenty-Eighth Supplemental Bonds”** shall mean any Twenty-Eighth Supplemental Bonds the interest on which is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Code.

**“Twenty-Eighth Supplemental Bonds”** shall mean the not to exceed \$326,255,000 aggregate principal amount of Transportation System Bonds authorized pursuant to Article II of this Twenty-Eighth Supplemental Resolution.

**“Underwriters”** shall mean, with respect to the Twenty-Eighth Supplemental Bonds, the underwriters named in the Bond Purchase Contract for the Twenty-Eighth Supplemental Bonds pursuant to Section 2.5 of this Twenty-Eighth Supplemental Resolution.

## **ARTICLE II AUTHORIZATION OF TWENTY-EIGHTH SUPPLEMENTAL BONDS**

### **2.1. Maximum Principal Amount, Designation, Series and Other Details.**

(a) Pursuant to the provisions of the Resolution, one or more Series of Twenty-Eighth Supplemental Bonds, constituting New Money Bonds, entitled to the benefit, protection and security of such provisions are hereby authorized to be issued in an aggregate principal amount not exceeding 326,255,000. The Twenty-Eighth Supplemental 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, as such designation may be determined by an Authorized Authority Official in the Series Certificate. The Twenty-Eighth Supplemental Bonds shall be issued as Tax-Exempt Twenty-Eighth Supplemental Bonds with a fixed rate or rates of interest to maturity 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 the Twenty-Eighth Supplemental Bonds be later than the date set forth in the Act, which is currently thirty-one (31) years from the date of the original issuance and delivery of the Twenty-Eighth Supplemental Bonds, (ii) the true interest

cost of the Twenty-Eighth Supplemental Bonds exceed five and one-half percent (5.50%) per annum, and (iii) the redemption price for any Twenty-Eighth Supplemental Bond, if expressed as a percentage of the principal amount of such Twenty-Eighth Supplemental Bond to be redeemed, exceed one hundred three percent (103%) of the principal amount of such Twenty-Eighth Supplemental Bond. The Twenty-Eighth Supplemental Bonds may be issued and sold in one or more sub-Series as may be provided in the Series Certificate.

(b) Without limiting the generality of the authorization contained in the immediately preceding paragraph (a) of Section 2.1 of this Twenty-Eighth Supplemental Resolution, it is presently anticipated, but not required, that the Twenty-Eighth Supplemental Bonds will be issued as one Series of Bonds and sold to the Underwriters pursuant to one Bond Purchase Contract.

## **2.2. Purpose.**

The Twenty-Eighth Supplemental Bonds shall be issued pursuant to the Resolution for the purposes of (i) paying State Transportation System Costs, and (ii) paying the costs of issuance of such Twenty-Eighth Supplemental Bonds.

## **2.3. Determination in Accordance with Section 9(i) 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 Twenty-Eighth Supplemental Bonds as aforesaid are and will be in accordance with Section 9(i) of the Act.

## **2.4. [Reserved.]**

## **2.5. Authorization of Negotiated Sale.**

(a) The Authority hereby authorizes the sale of the Twenty-Eighth Supplemental Bonds on a negotiated basis because the financing involves the sale of a complex financing structure and due to volatile market conditions. Upon recommendation of the Treasurer based upon Treasury's competitive RFP/RFQ process and in accordance with Executive Order No. 26 (Whitman 1994) ("Executive Order 26"), the Authority hereby appoints Barclays Capital Inc. as Senior Managing Underwriter in connection with the Twenty-Eighth Supplemental 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 co-senior managers and co-managers for the Twenty-Eighth Supplemental Bonds. In addition, if the Senior Managing Underwriter, a co-senior manager or co-manager requests the consent of the Authority to use another firm to provide retail distribution for the Twenty-Eighth Supplemental Bonds, an Authorized Authority Official, in consultation with the Treasurer, and upon advice of Bond Counsel, is hereby authorized to execute such consent to the retail distribution arrangement. All such appointment(s) shall be evidenced by the execution of the Bond Purchase Contract. Notwithstanding anything to the contrary contained herein, the appointment of a firm to serve as a co-senior manager or co-manager for the Twenty-Eighth Supplemental Bonds does not provide any assurance that such firm will serve as a co-senior

manager or co-manager for any other Series of the Twenty-Eighth Supplemental Bonds authorized to be issued under this Twenty-Eighth Supplemental Resolution.

(b) The purchase of one or more Series of the Twenty-Eighth Supplemental Bonds by the Underwriters and the sale of one or more Series of the Twenty-Eighth Supplemental Bonds 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") for the Twenty-Eighth Supplemental Bonds 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 in connection with the Twenty-Eighth Supplemental Bonds. 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 the Twenty-Eighth Supplemental 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 the Twenty-Eighth Supplemental Bonds and to execute and deliver such 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 Twenty-Eighth Supplemental Bonds, and (ii) the aggregate principal amount, the final maturity date or dates, the true interest cost and the redemption price of the Twenty-Eighth Supplemental Bonds does not exceed the limitations set forth in paragraph (a) of Section 2.1 of this Twenty-Eighth Supplemental Resolution.

## **2.6. Approval of the Preliminary Official Statement.**

A Preliminary Official Statement (the "Preliminary Official Statement") relating to the sale of the Twenty-Eighth Supplemental 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 with respect to the Twenty-Eighth Supplemental Bonds. An Authorized Authority Official is hereby authorized, with the advice of Bond Counsel and the State Attorney General, to execute and deliver a certificate, or to include a provision in the Bond Purchase Contract, that "deems final" the Preliminary Official Statement relating to the Twenty-Eighth Supplemental Bonds pursuant to the provisions of Rule 15c2-12, and such certificate or provision relating thereto shall be in a form acceptable to Bond Counsel and the State Attorney General.

**2.7. Authorization of the Printing and Distribution of the Preliminary Official Statement.**

The printing and distribution, via electronic medium, in addition to or in lieu of physical, printed medium, of the Preliminary Official Statement by an Authorized Authority Official in connection with the sale of the Twenty-Eighth Supplemental Bonds, with such changes, insertions, deletions and omissions in such 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 the Twenty-Eighth Supplemental Bonds.

**2.8. Approval of Continuing Disclosure Agreement.**

A Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") relating to the sale of the Twenty-Eighth Supplemental 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 with respect to the Twenty-Eighth Supplemental Bonds. 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 the Twenty-Eighth Supplemental 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.

**2.9. [Reserved.]**

**2.10. Additional Proceedings.**

As additional proceedings of the Authority in connection with the sale, issuance and delivery of the Twenty-Eighth Supplemental 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 the Twenty-Eighth Supplemental Bonds by executing and delivering a Series Certificate or Certificates of any one such Authorized Authority Official, provided that the final terms and conditions of the Twenty-Eighth Supplemental Bonds as set forth in the Series Certificate shall be subject to the written approval of the Treasurer:

(a) To determine, subject to the provisions of this Twenty-Eighth Supplemental Resolution, the appropriate Series designations, respective principal amounts, the interest rate or rates, the dated dates, the interest and principal payment and maturity dates, the denomination or denominations and the redemption provisions of the Twenty-Eighth Supplemental 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 or the Act.

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

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

(d) With respect to the Twenty-Eighth Supplemental Bonds, to execute a final Official Statement of the Authority, dated the date of sale of the Twenty-Eighth Supplemental Bonds, substantially in the form of the Preliminary Official Statement for the Twenty-Eighth Supplemental 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 such final Official Statement to the Underwriters and to authorize the use of such final Official Statement and the information contained therein in connection with the offering and sale of the Twenty-Eighth Supplemental Bonds.

(e) To determine the application of the proceeds of the Twenty-Eighth Supplemental Bonds in accordance with the provisions of Section 2.2 hereof.

(f) To solicit proposals for an institution to act as successor Trustee, Paying Agent, Registrar, Tender Agent and Dissemination Agent under the Resolution pursuant to a competitive Request for Proposals/Request for Qualifications process, and to select and appoint as such successor Trustee, Paying Agent, Registrar, Tender Agent and Dissemination Agent, the institution submitting the proposal, conforming to the requirements of the Request for Proposals or Request for Qualifications which is most advantageous to the Authority, price and other factors considered. In making its appointment as aforesaid, the Authorized Authority Officials shall have the right to waive any irregularities or informalities in any proposals received by it, to reject any proposal which the Authorized Authority Officials deem not to be in compliance with the requirements set forth in the request for proposals and to reject all proposals.

(g) To purchase one or more policies of municipal bond insurance with respect to any or all of the maturities of the Twenty-Eighth Supplemental Bonds if an Authorized Authority Official determines that such policy or policies of municipal bond insurance are necessary or desirable to achieve the economic objectives of the Authority, to include in the Series Certificate for the Twenty-Eighth Supplemental Bonds such provisions relating to the insurance policy or policies as such Authorized Authority Official, with the advice of Bond Counsel and the State Attorney General, deems appropriate and to include on the form of any Twenty-Eighth Supplemental 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. The cost of any such policy or policies of municipal bond insurance may be paid from the proceeds of the Twenty-Eighth Supplemental Bonds.

(h) To select and appoint a firm, through a competitive RFP/RFQ process, to serve as bidding agent to solicit bids to enter into or purchase Investment Securities with the

proceeds from the Twenty-Eighth Supplemental Bonds in the event that such Authorized Authority Official determines that it is advantageous to the Authority to invest any proceeds of the Twenty-Eighth Supplemental Bonds in such Investment Securities.

(i) To remove or accept the resignation of the current Trustee, Paying Agent, Registrar, Tender Agent and Dissemination Agent after the selection and appointment of a successor Trustee, Paying Agent, Registrar, Tender Agent and Dissemination Agent pursuant to clause (f) of this Section.

(j) [Reserved.]

(k) Prior to the issuance of the first Series of the Twenty-Eighth Supplemental Bonds, to make such revisions to this Twenty-Eighth Supplemental Resolution as may be requested by any Rating Agency in connection with its respective rating of the Twenty-Eighth Supplemental Bonds, or by the issuer of any municipal bond insurance policy insuring any of the Twenty-Eighth Supplemental Bonds of such Series, provided that such revisions, if any, shall be memorialized in the Series Certificate for the Twenty-Eighth Supplemental Bonds.

(l) To prepare, execute and submit an application for one or more ratings by the Rating Agencies for the Twenty-Eighth Supplemental Bonds, and to include in the Series Certificate for the Twenty-Eighth Supplemental Bonds such provisions relating to the rating(s) as an Authorized Authority Official, with the advice of Bond Counsel and the State Attorney General, deems appropriate. The cost of any such rating(s) may be paid from the proceeds of the Twenty-Eighth Supplemental Bonds.

(m) In light of changing market conditions and in order to issue the Twenty-Eighth Supplemental Bonds on the terms most favorable to the Authority, in addition to all other matters authorized in this Twenty-Eighth Supplemental Resolution, the Authorized Authority Officials, in consultation with the Treasurer, are authorized to make such other determinations, to execute such other documents, instruments and agreements and to do such other acts and things as may be necessary or advisable in connection with the issuance of the Twenty-Eighth Supplemental Bonds or as may be appropriate based on a change in market conditions, provided that any such other determinations, documents, instruments and agreements, acts and things shall be in furtherance of, and not conflict with, the provisions of this Twenty-Eighth Supplemental Resolution, the Resolution or the Act. Any and all actions heretofore taken by the Authorized Authority Officials in connection with the issuance of the Twenty-Eighth Supplemental Bonds are hereby ratified.

(n) To make such other determinations, to execute such other documents, instruments and papers and to do or refrain from doing such acts and things as may be necessary or advisable in connection with the issuance, sale and delivery of, and security for, the Twenty-Eighth Supplemental Bonds and which are not inconsistent with the provisions of this Twenty-Eighth Supplemental Resolution, the Resolution or the Act.

All matters determined by an Authorized Authority Official under the authority of this Twenty-Eighth Supplemental Resolution shall constitute and be deemed matters incorporated into this Twenty-Eighth 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 Twenty-Eighth 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.

#### **2.11. Denomination, Numbers and Letters.**

The Twenty-Eighth Supplemental Bonds shall be issued in fully registered form in the denominations as set forth in the applicable Series Certificate. Unless the Authority shall otherwise direct, the Twenty-Eighth Supplemental 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 Twenty-Eighth Supplemental Bonds and the Trustee's Certificate of Authentication thereon shall be substantially in the form set forth in Section 2.16 of this Twenty-Eighth Supplemental Resolution.

#### **2.12. Redemption.**

The Twenty-Eighth Supplemental Bonds may be subject to redemption prior to maturity as provided in the applicable Series Certificate.

#### **2.13. Book-Entry Only System.**

1. Except as provided in subparagraph (3) of this Section 2.13, the registered Holder of all of the Twenty-Eighth Supplemental Bonds shall be, and the Twenty-Eighth Supplemental Bonds shall be registered in the name of, Cede & Co., as nominee of DTC. With respect to the Twenty-Eighth Supplemental Bonds for which Cede & Co. shall be the registered Holder, payment of interest on such Twenty-Eighth Supplemental Bonds shall be made by wire transfer of same day funds to the account of Cede & Co. on the Interest Payment Dates for the Twenty-Eighth Supplemental Bonds at the address indicated for Cede & Co. in the registration books of the Authority kept by the Trustee, as Bond Registrar.

2. The Twenty-Eighth Supplemental Bonds 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 Twenty-Eighth Supplemental Bond shall be registered on the registration books of the Authority kept by the Trustee in the name of Cede & Co. With respect to Twenty-Eighth Supplemental 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 Twenty-Eighth Supplemental 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 Twenty-Eighth Supplemental 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 Twenty-Eighth Supplemental 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 Twenty-Eighth Supplemental Bond. The Authority and the Trustee may treat DTC as, and deem DTC to be, the absolute registered Holder of each Twenty-Eighth Supplemental Bond for the purpose of (i) payment of the principal of, redemption premium, if any, and interest on each such Twenty-Eighth Supplemental Bond, (ii) giving notices with respect to the Twenty-Eighth Supplemental Bond, (iii) registering transfers with respect to a Twenty-Eighth Supplemental Bond and (iv) for all other purposes whatsoever. The Trustee shall pay the principal of, redemption premium, if any, and interest on each Twenty-Eighth Supplemental Bond 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 Twenty-Eighth Supplemental Bond evidencing the obligation of the Authority to make payments of principal and interest thereon pursuant to this Twenty-Eighth Supplemental 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 Twenty-Eighth Supplemental Resolution shall refer to such new nominee of DTC.

3. (a) DTC may determine to discontinue providing its services with respect to a particular Series of the Twenty-Eighth Supplemental 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 book-entry-only transfer through DTC (or a successor securities depository) with respect to a particular Series of the Twenty-Eighth Supplemental Bonds, in which event certificates for such Twenty-Eighth Supplemental Bonds shall be printed and delivered to DTC, and (ii) shall terminate the services of DTC with respect to a particular Series of the Twenty-Eighth Supplemental 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 Twenty-Eighth Supplemental Bonds of such Series to the effect, that (A) DTC is unable to discharge its responsibilities with respect to such Twenty-Eighth Supplemental Bonds; or (B) a continuation of the requirement that all of the Outstanding Twenty-Eighth Supplemental 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 the Twenty-Eighth Supplemental Bonds of such Series.

(c) Upon the termination of the services of DTC with respect to the Twenty-Eighth Supplemental Bonds of a Series pursuant to subsection 2.13(3)(b)(ii)(A) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Twenty-Eighth Supplemental Bonds of such Series pursuant to subsection 2.13(3)(a) or 2.13(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 Twenty-Eighth Supplemental Bonds 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 the Holders of such Twenty-Eighth Supplemental Bonds transferring or exchanging such Twenty-Eighth Supplemental Bonds shall designate, in accordance with the provisions of the Resolution. Upon the determination by any party authorized herein that the Twenty-Eighth Supplemental Bonds 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 Twenty-Eighth Supplemental Bonds from such book-entry only form to a fully registered form.

4. Notwithstanding any other provision of this Twenty-Eighth Supplemental Resolution to the contrary, so long as any Twenty-Eighth Supplemental 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 Twenty-Eighth Supplemental 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 Twenty-Eighth Supplemental Bonds.

5. In connection with any notice or other communication to be provided to Holders of the Twenty-Eighth Supplemental 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 Holders, 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.

#### **2.14. Application of Proceeds of the Twenty-Eighth Supplemental Bonds.**

The proceeds of the Twenty-Eighth Supplemental Bonds shall be applied as set forth in the applicable Series Certificate with respect to such Series, subject to the following provisions:

(a) In the event an Authorized Authority Official determines to purchase one or more policies of municipal bond insurance and/or commitments for municipal bond insurance as authorized pursuant to Section 2.10(g) of this Twenty-Eighth Supplemental Resolution, there shall be sent by wire transfer directly from the Senior Managing Underwriter for the Twenty-Eighth Supplemental Bonds to the provider of the such policy or policies of municipal bond insurance, an amount as shall be specified in the applicable Series Certificate constituting the premium for such policy or policies;

(b) There shall be deposited in the Transportation Improvement Fund established under the Resolution in a special account hereby established therein with respect to the Twenty-Eighth Supplemental Bonds, to be known as the "2012 Series [Letter Designation]

Bonds Transportation System Improvement Account," which may be combined with any other moneys in the Transportation Improvement Fund for purposes of investment, such amount as may be designated by an Authorized Authority Official to be applied to the payment of State Transportation System Costs, including the costs of issuance of the Twenty-Eighth Supplemental Bonds, as specified in the applicable Series Certificate;

**2.15. Approval of Amended and Restated State Contract.**

The Amended and Restated State Contract, substantially in the form presented to this meeting, is hereby approved, provided that an Authorized Authority Official is hereby authorized, with the advice of the State Attorney General and Bond Counsel, to make such changes and insertions to and omissions from such form of the Amended and Restated State Contract as may be appropriate. An Authorized Authority Official is hereby authorized, with the advice of the State Attorney General and Bond Counsel, to execute and deliver to the Treasurer the Amended and Restated State Contract.

**2.16. Form of the Twenty-Eighth Supplemental Bonds and Trustee's Certificate of Authentication.**

Subject to the provisions of the Resolution, the form of the Twenty-Eighth Supplemental Bonds and the Trustee's Certificate of Authentication thereon shall be of substantially the following tenor:

UNITED STATES OF AMERICA  
STATE OF NEW JERSEY

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

TRANSPORTATION SYSTEM BONDS,  
2012 SERIES \_\_

THE PRINCIPAL OR REDEMPTION PRICE OF AND INTEREST ON THE 2012 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 2012 SERIES \_\_ 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, OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THIS 2012 SERIES \_\_ BOND OR THE ISSUE OF WHICH IT IS ONE. THE AUTHORITY HAS NO TAXING POWER.

No. R- \_\_\_\_\_ \$ \_\_\_\_\_

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

REGISTERED OWNER: Cede & Co.

PRINCIPAL SUM:

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 2012 Series \_\_ Bond at the principal corporate trust office of TD 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 June 15 and December 15, in each year, commencing June 15, 2013, 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 next preceding such interest payment date on the books of the Authority maintained by the Bond Registrar.

This 2012 Series \_\_ Bond is one of a duly authorized series of bonds of the Authority designated "Transportation System Bonds, 2012 Series \_\_" (herein called the 2012 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 Twenty-Eighth Supplemental Transportation System Bond Resolution of the Authority authorizing the 2012 Series \_\_ Bonds adopted on October 26, 2012 and a Series Certificate duly executed by an Authorized Authority Official as of \_\_\_\_\_, 2012 (collectively, the "Resolution").

As provided in the Resolution, the 2012 Series \_\_ Bonds and all other bonds issued under the Resolution on a parity with the 2012 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 – Subaccount for Debt Service for Prior Bonds 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 2012 Series \_\_ 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 2012 Series \_\_ 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 2012 Series \_\_ 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 2012 Series \_\_ 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 2012 Series \_\_ Bonds are subject to redemption prior to maturity, upon notice as hereinafter provided:

[INSERT REDEMPTION PROVISIONS HERE]

The principal amount of the 2012 Series \_\_ Bonds otherwise required to be redeemed may be reduced by the principal amount of such 2012 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 2012 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 2012 Series \_\_ Bonds or portions of 2012 Series \_\_ 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 2012 Series \_\_ 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 2012 Series \_\_ 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 2012 Series \_\_ Bonds or portions thereof so called for redemption shall cease to accrue and be payable. Failure of the registered owner of any 2012 Series \_\_ Bonds which are to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of 2012 Series \_\_ Bonds.

THE PRINCIPAL OR REDEMPTION PRICE OF AND INTEREST ON THE 2012 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 HEREIN, IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THIS 2012 SERIES \_\_ 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, OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THIS 2012 SERIES \_\_ BOND OR THE ISSUE OF WHICH IT IS ONE. THE AUTHORITY HAS NO TAXING POWER.

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 2012 Series \_\_ 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 2012 Series \_\_ Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this 2012 Series \_\_ 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 2012 Series \_\_ 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.

[SEAL]

**NEW JERSEY TRANSPORTATION  
TRUST FUND AUTHORITY**

By: \_\_\_\_\_  
Chairperson, Vice-Chairperson or  
Executive Director

ATTEST:

\_\_\_\_\_  
Secretary or Assistant Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION  
ON ALL 2012 SERIES \_\_ BONDS]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This 2012 Series \_\_ Bond is one of the 2012 Series \_\_ Bonds delivered pursuant to the within mentioned Resolution.

**TD 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 the Twenty-Eighth Supplemental 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 the Twenty-Eighth Supplemental 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 Twenty-Eighth Supplemental Resolution shall take effect upon its adoption in accordance with the Act, but this Twenty-Eighth 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, (ii) a copy of this Twenty-Eighth Supplemental Resolution, certified by an Authorized Authority Official, shall be filed with the Trustee, along with the opinion of Bond Counsel required by Article X of the Resolution; (iii) with respect to Section 1.3(b) of this Twenty-Eighth Supplemental Resolution only, an instrument in writing made by the Trustee consenting to the provisions of such Section 1.3(b) shall be filed with the Authority.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. This includes not only sales and purchases but also expenses, income, and any other financial activity.

The second part of the document provides a detailed explanation of the accounting cycle. It outlines the ten steps involved in the process, from identifying the accounting entity to preparing financial statements. Each step is described in detail, including the necessary documents and procedures to follow.

The third part of the document discusses the various methods used to record transactions. It compares the double-entry system with the single-entry system, highlighting the advantages and disadvantages of each. It also explains how to use T-accounts to organize and summarize the data.

The fourth part of the document covers the process of adjusting the accounts. It explains why adjustments are necessary and how they are made. It discusses the different types of adjustments, such as accruals, deferrals, and depreciation, and provides examples of how to record them.

The fifth part of the document discusses the preparation of financial statements. It explains the different types of statements, such as the balance sheet, income statement, and statement of cash flows, and how they are prepared. It also discusses the importance of comparing the results of the current period with those of the previous period.

The sixth part of the document discusses the closing process. It explains how to close the temporary accounts and transfer their balances to the permanent accounts. It also discusses the importance of reconciling the books and ensuring that the accounts are in balance.

The seventh part of the document discusses the use of accounting software. It explains how to set up the software and how to use it to record transactions and generate reports. It also discusses the benefits of using software and the potential risks.

The eighth part of the document discusses the importance of internal controls. It explains how to design and implement controls to prevent errors and fraud. It also discusses the different types of controls, such as segregation of duties and authorization, and provides examples of how to use them.

The ninth part of the document discusses the importance of ethics in accounting. It explains how to identify and avoid conflicts of interest and how to report any unethical behavior. It also discusses the different codes of ethics and the consequences of unethical behavior.

The tenth part of the document discusses the future of accounting. It explains how technology is changing the industry and how accountants can stay current. It also discusses the different career paths available in the field and the skills needed to succeed.

McCarter & English, LLP  
Draft #3  
Dated: October 2, 2012

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**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**

\$ \_\_\_\_\_,000,000  
Transportation Program Bonds, 2012 Series AA

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**BOND PURCHASE CONTRACT**

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Dated: \_\_\_\_\_, 2012

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\_\_\_\_\_, 2012

New Jersey Transportation Trust Fund Authority  
1035 Parkway Avenue  
Trenton, New Jersey 08625

Ladies and Gentlemen:

The undersigned (the "Manager"), as representative acting for and on behalf of ourselves and the underwriters named in the list attached hereto as Schedule I and incorporated herein by this reference (the Manager and said underwriters being herein collectively referred to as the "Underwriters"), hereby offers to enter into this Bond Purchase Contract (the "Purchase Contract") with the New Jersey Transportation Trust Fund Authority (the "Authority") for the purchase by the Underwriters of the Authority's \$\_\_\_\_\_,000,000 aggregate principal amount of Transportation Program Bonds, 2012 Series AA (the "2012 Series Bonds"). This offer is made subject to acceptance prior to 11:59 p.m. prevailing New Jersey Time, on the date hereof. Upon such acceptance, as evidenced by signatures in the spaces provided therefor below, this Purchase Contract shall be in full force and effect in accordance with its terms and shall be binding upon the Authority and the Underwriters.

1. (a) Sale of the 2012 Series Bonds. Upon the terms and conditions and upon the basis of the representations herein set forth, the Underwriters, jointly and severally, hereby agree to purchase from the Authority, and the Authority agrees to execute and deliver to the Underwriters, all (but not less than all) of the 2012 Series Bonds at an aggregate purchase price (the "2012 Series AA Purchase Price") of \$\_\_\_\_\_, which is equal to the aggregate principal amount of 2012 Series Bonds, plus net original issue premium in the amount of \$\_\_\_\_\_, and less an Underwriters' discount in the amount of \$\_\_\_\_\_. The 2012 Series Bonds shall be dated the date of their initial issuance and delivery and shall be issued in the principal amounts, mature on the dates, bear interest at the rates, shall be payable at the times and be offered for sale at the initial prices or yields, as set forth in Schedule II attached hereto and incorporated herein by this reference. The 2012 Series Bonds shall be subject to redemption prior to maturity as set forth in Schedule II.

The 2012 Series Bonds are being issued pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984, L. 1984, c.73, as amended and supplemented, constituting N.J.S.A. 27:1B-1 et seq. (the "Act"), and the Authority's 2012 Transportation Program Bond Resolution, adopted on \_\_\_\_\_, 2012 (the "2012 Transportation Program Bond Resolution"), as amended and supplemented, including as supplemented by the First Supplemental Transportation Program Bond Resolution adopted on \_\_\_\_\_, 2012 (the "First Supplemental Resolution"), and a certificate of the Authority, dated the date hereof and entitled "2012 Series AA Certificate" (the "Series Certificate"). The 2012 Transportation System Bond Resolution, as amended and supplemented, including as supplemented by the First Supplemental Resolution and the Series Certificate, is collectively referred to herein as the "Resolution." Capitalized terms used but not defined in this Purchase Contract shall have the meanings given to them in the Resolution or in



the Official Statement (as hereinafter defined). [TD Bank, National Association] has been appointed trustee (the "Trustee") for obligations to be issued under the Resolution.

The 2012 Series Bonds are being issued for the purposes of (i) paying State Transportation System Costs and (ii) paying costs of issuance of the 2012 Series Bonds.

The Act provides for certain payments to be made from the Transportation Trust Fund Account (as defined in the Act) in the State General Fund to the Authority subject to and dependent upon appropriations being made from time to time by the New Jersey State Legislature (the "State Legislature") for such purpose. Pursuant to the Act, the Authority has entered into an agreement entitled "Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act with Respect to Transportation Program Bonds," dated as of October \_\_, 2012 (the "State Contract"), with the Treasurer (the "State Treasurer") of the State of New Jersey (the "State" or "New Jersey") and the Commissioner of the New Jersey Department of Transportation (the "Commissioner") to implement such payments and other arrangements provided for in the Act. All amounts payable under the State Contract are subject to and dependent upon appropriations being made from time to time by the State Legislature for such purpose. The State Legislature has no legal obligation to make any such appropriations.

NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION) IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE 2012 SERIES BONDS. THE 2012 SERIES BONDS ARE SPECIAL OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY OUT OF PROPERTY PLEDGED UNDER THE RESOLUTION AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE RESOLUTION FOR PAYMENT OF THE 2012 SERIES BONDS. THE 2012 SERIES BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER. NOTHING IN THE RESOLUTION SHALL BE CONSTRUED TO AUTHORIZE THE AUTHORITY TO INCUR INDEBTEDNESS ON BEHALF OF OR IN ANY WAY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION).

The Underwriters hereby agree to make a bona fide public offering of the 2012 Series Bonds, solely pursuant to the Official Statement, at the initial offering prices or yields set forth on the inside cover page of the Official Statement, reserving, however, the right to change such initial offering prices or yields as the Underwriters shall deem necessary in connection with the marketing of the 2012 Series Bonds and to offer and sell the 2012 Series Bonds to certain dealers (including dealers depositing the 2012 Series Bonds into investment trusts) at concessions to be determined by the Underwriters. The Underwriters also reserve the right to over-allot or effect transactions that stabilize or maintain the market price of the 2012 Series Bonds at a level above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time. In accordance with L. 2005, c. 92, the Underwriters agree that all

services performed under this Purchase Contract or any subcontract under this Purchase Contract shall be performed within the United States.

In addition, the Underwriters agree that the allocation of 2012 Series Bonds and fees received by each member of the underwriting syndicate, if applicable, shall be reported to the Authority within thirty (30) days after the Closing (as hereinafter defined) of the 2012 Series Bonds. The parties agree and acknowledge that the failure by the Underwriters to comply with the provisions of this paragraph will not void the sale hereunder of the 2012 Series Bonds or otherwise constitute a default or breach by the Underwriters hereunder.

(b) Executive Order No. 9 (Codey 2004) Compliance. Pursuant to Executive Order No. 9 (Codey 2004) ("Executive Order No. 9"), dated and effective as of December 6, 2004, it is the policy of the State that in all cases where bond underwriting services are or may be required by the State or any of its departments, agencies or independent authorities, such department, agency or independent authority shall deal directly with the principals of the underwriting firms or their registered lobbyists. The department, agency, or independent authority shall not discuss, negotiate, or otherwise interact with any third-party consultant, other than the principals of underwriting firms and their registered lobbyists, with respect to the possible engagement of the firm to provide bond underwriting services. Compliance with Executive Order No. 9 is a material term and condition of this Purchase Contract and is binding upon the parties hereto, including all of the Underwriters.

(c) Compliance with L. 2005, c. 271. The Manager hereby acknowledges for itself, and, based upon the representations and warranties received by the Manager from the other Underwriters under the Agreement Among Underwriters, dated \_\_\_\_\_, 2012 (the "AAU"), for the other Underwriters, that each Underwriter has been advised of their responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to N.J.S.A. 19:44A-20.13 (L. 2005, c. 271, section 3) if such Underwriter enters into agreements or contracts, such as this Purchase Contract, with a public entity, such as the Authority, and receives compensation or fees in excess of \$50,000 or more in the aggregate from public entities, such as the Authority, in a calendar year. It is the Underwriters' responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at [www.elec.state.nj.us](http://www.elec.state.nj.us).

2. **Good Faith Deposit.** The Manager herewith delivers, as a good faith deposit, either a corporate check payable to the order of the Authority or a wire transfer of federal funds in the amount of [\$500,000], which represents one percent (1.00%) of the par amount of the 2012 Series Bonds as set forth in the Preliminary Official Statement (as hereinafter defined) (the "Good Faith Deposit") as security for the performance by the Underwriters of their obligation to accept and pay for the 2012 Series Bonds at the Closing in accordance with the provisions of this Purchase Contract. In the event that the Authority does not accept this offer, the Good Faith Deposit shall be immediately returned to the Manager. If said Good Faith Deposit is in the form of a check, such check shall be held uncashed by the Authority, subject to the provisions of the last paragraph of this Section 2. No interest shall be deemed earned by or payable to the Underwriters on the Good Faith Deposit. Concurrently

with the delivery of and payment for the 2012 Series Bonds at the Closing, the Good Faith Deposit shall be returned to the Manager, or, if agreed to by the parties hereto, retained by the Authority and applied as a credit against the total Purchase Price to be paid by the Underwriters.

Upon the Authority's failure to deliver the 2012 Series Bonds at the Closing, or if the conditions to the obligations of the Underwriters contained in this Purchase Contract are not satisfied or waived by the Manager, or if such obligations shall be terminated for any reason permitted by this Purchase Contract, the Good Faith Deposit shall be immediately returned to the Manager and such return shall constitute a full release and discharge of all claims and rights hereunder of the Underwriters against the Authority.

In the event that the Underwriters fail (other than for a reason permitted under this Purchase Contract) to accept and pay for the 2012 Series Bonds at the Closing, the Good Faith Deposit shall be retained by the Authority as and for full, liquidated damages for such failure and as and for all defaults hereunder on the part of the Underwriters, and thereupon all claims and rights hereunder of the Authority against the Underwriters shall be fully released and discharged.

3. **Official Statement.** The Authority has previously authorized the distribution of the Preliminary Official Statement, dated \_\_\_\_\_, 2012, relating to the 2012 Series Bonds (the "Preliminary Official Statement"), and, by its execution of this Purchase Contract, has deemed such Preliminary Official Statement final for the purposes and within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended (the "Rule"). The Authority will provide, within seven (7) business days after the date of this Purchase Contract (but no later than one (1) day prior to the date of the Closing), an electronic copy, subject to customary disclaimers regarding the transmission of electronic copies, of the final Official Statement relating to the 2012 Series Bonds (the "Official Statement") to the Underwriters in the currently required designated format stated in Municipal Securities Rulemaking Board ("MSRB") Rule G-32 and the EMMA Dataport Manual (as hereinafter defined). By acceptance of this Purchase Contract, the Authority authorizes the use by the Underwriters of the Official Statement in connection with the public offering and sale of the 2012 Series Bonds. Within one business day after the receipt of the Official Statement from the Authority, but in no event later than the date of the Closing, the Manager shall, at its own expense, submit the Official Statement to EMMA (as hereinafter defined). The Manager will comply with the provisions of MSRB Rule G-32 as in effect on the date hereof, including, without limitation, the submission of Form G-32 and the Official Statement, and notify the Authority of the date on which the Official Statement has been filed with EMMA.

"EMMA" shall mean the MSRB's Electronic Municipal Market Access system, or any other electronic municipal securities information access system designated by the MSRB for collecting and disseminating primary offering documents and information.

"EMMA Dataport Manual" shall mean the document(s) designated as such published by the MSRB from time to time setting forth the processes and procedures with respect to submissions to be made to the primary market disclosure service of EMMA by underwriters under MSRB Rule G-32.

In addition, the Manager will provide to the Authority the copy of the notice sent to all purchasers of the 2012 Series Bonds from the Underwriters advising it as to the manner pursuant to which such purchasers can obtain a copy of the Official Statement from EMMA and indicating to them that a printed copy of the Official Statement will be provided to them upon their request. The Authority agrees to provide the Underwriters with an amount of printed Official Statements in such quantities that the Underwriters may reasonably request; provided, that the number of copies the cost for which the Authority is responsible will not exceed [250] copies. Should the Underwriters require additional copies of the Official Statement, the Authority agrees to cooperate with the Underwriters in obtaining such copies, the cost of such additional copies to be borne by the Underwriters.

4. **Representations and Agreements.**

(a) The Authority represents to and agrees with the Underwriters that:

(i) the Authority is a public body corporate and politic and an instrumentality of the State created pursuant to the Act, and has the power and authority to adopt the Resolution; to execute and deliver the State Contract; to enter into this Purchase Contract; to execute and deliver the Continuing Disclosure Agreement dated the date of Closing (the "Continuing Disclosure Agreement") to be entered into by and among the Treasurer, the Authority and the Trustee, as Dissemination Agent, relating to the 2012 Series Bonds; and to carry out the Authority's obligations required in connection with the consummation of the transactions contemplated by the Resolution, this Purchase Contract, the 2012 Series Bonds, the Official Statement and the Continuing Disclosure Agreement;

(ii) the Authority, concurrently with or prior to the acceptance hereof, has duly adopted the Resolution and duly authorized the execution and delivery of this Purchase Contract, the State Contract and the Continuing Disclosure Agreement; has duly authorized and approved the Preliminary Official Statement and the Official Statement and the distribution thereof; has duly authorized and approved the execution and delivery of, and the performance by the Authority of its obligations contained in, the State Contract, the Continuing Disclosure Agreement and this Purchase Contract; and has duly authorized and approved the sale of the 2012 Series Bonds to the Underwriters, and the consummation by it of all other transactions contemplated by this Purchase Contract;

(iii) the adoption of the Resolution, the execution and delivery of the Continuing Disclosure Agreement, the 2012 Series Bonds, the State Contract and this Purchase Contract and compliance by the Authority with the provisions thereof and hereof, under the circumstances contemplated thereby and hereby, and the consummation of all transactions to which the Authority is a party contemplated by the Continuing Disclosure Agreement, the 2012 Series Bonds, the Resolution, the State Contract and this Purchase Contract have been duly authorized by all necessary action on the part of the Authority and, to the knowledge of the Authority, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default by the Authority under any indenture, agreement or other instrument to which the Authority is a party, or conflict with, violate or result in a breach of any existing applicable law, public administrative rule or regulation, judgment, court order or consent decree to which the Authority is subject;

(iv) all approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the Authority of its obligations under the Resolution, the 2012 Series Bonds, the State Contract, the Continuing Disclosure Agreement and this Purchase Contract have been obtained or will have been obtained as of the date of the Closing;

(v) the statements and information relating to the Authority contained in the Official Statement under the captions "THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY," "THE TRANSPORTATION SYSTEM IMPROVEMENTS," "THE NEW JERSEY DEPARTMENT OF TRANSPORTATION" and "LITIGATION" do not, as of the date of acceptance hereof, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading;

(vi) if the Official Statement is supplemented or amended pursuant to Section 8 hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to Section 8 hereof) at all times during the period from the date of such supplement or amendment to and including twenty-five (25) days following the end of the underwriting period for the 2012 Series Bonds (as determined in accordance with Section 8 hereof), the statements and information relating to the Authority contained under the captions "THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY," "THE TRANSPORTATION SYSTEM IMPROVEMENTS," "THE NEW JERSEY DEPARTMENT OF TRANSPORTATION" and "LITIGATION," as so supplemented or amended, will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements and information contained therein, in the light of the circumstances under which they were made, not misleading;

(vii) As of the date hereof, there is not, except as disclosed in the Official Statement, any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending against the Authority, and the Authority has no knowledge of any such action, suit, proceeding, or investigation, at law or in equity, before or by any court, public board or body in any other jurisdiction, and, to the knowledge of the Authority, no such action is threatened, in any way contesting or questioning the title of any of the officers of the Authority to their offices, or seeking to restrain, enjoin or contest the issuance, sale or delivery of the 2012 Series Bonds, or in any way contesting or affecting the validity or enforceability of the Resolution, the State Contract, the Continuing Disclosure Agreement or this Purchase Contract or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the Authority or its authority with respect to the Resolution, the Continuing Disclosure Agreement or this Purchase Contract;

(viii) When delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of the Resolution and this Purchase Contract, and as described in the Official Statement, the 2012 Series Bonds will have been duly

authorized, executed, issued and delivered and will constitute special obligations of the Authority entitled to the benefits and security of the Resolution;

(ix) None of the officers, members, agents or employees of the Authority shall be personally liable for the performance of any obligation under this Purchase Contract; and

(x) In order to enable the Underwriters to comply with the requirements of the Rule, the Treasurer, the Authority, and the Trustee, as Dissemination Agent, have agreed to execute and deliver the Continuing Disclosure Agreement in substantially the form annexed to the Official Statement.

(b) The Manager represents and warrants to the Authority that as of the date hereof and the Closing date:

(i) The Manager is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, having all requisite corporate power and authority to carry on its business as now constituted;

(ii) The Resolution, the State Contract, the Continuing Disclosure Agreement and this Purchase Contract have been reviewed by the Manager and contain terms acceptable to, and agreed to by, the Manager;

(iii) The Manager has the requisite authority to enter into this Purchase Contract, and this Purchase Contract has been duly authorized, executed and delivered by the Manager on behalf of the Underwriters and, assuming the due authorization, execution and delivery by the Authority, is the legal, binding and valid obligation of the Underwriters, enforceable against the Underwriters in accordance with its terms, except that the enforceability hereof may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws or equitable principles affecting creditors' rights or remedies generally;

(iv) The Manager has been duly authorized to execute this Purchase Contract and to act hereunder by and on behalf of the Underwriters;

(v) The Manager has not entered into, and based upon the representations and warranties received by the Manager from the other Underwriters under the AAU, the Manager is not aware that any other Underwriter has entered into any undisclosed financial or business relationships, arrangements or practices required to be disclosed in the Official Statement pursuant to Securities and Exchange Commission Release No. 33-7049; 34-33741; FR-42; File No. S7-4-94 (March 9, 1994) or required to be disclosed in the Official Statement pursuant to the MSRB rules;

(vi) The Manager represents and warrants for itself and, in reliance upon the representations and warranties made by the other Underwriters to the Manager in the AAU, for the other Underwriters, that each Underwriter is in compliance with the provisions of Rules G-17, G-37 and G-38 of the MSRB;

(vii) The Manager will deliver or cause to be delivered at the Closing an issue price certificate with respect to the 2012 Series Bonds, dated the date of the Closing, signed by an authorized representative of the Manager, in substantially the form attached hereto as Exhibit F;

(viii) The Manager represents and warrants for itself, and in reliance upon the representations and warranties made by the other Underwriters to the Manager in the AAU, for the other Underwriters, that all information, certifications and disclosure statements previously provided in connection with L. 2005, c.51 which codified Executive Order No. 134 (McGreevey 2004) and Executive Order No. 117 (Corzine 2008) ("Executive Order No. 117") and as required by law, are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority and the State shall rely upon the truth of the statements contained herein in engaging the Manager and the Underwriters in connection with this transaction. The Manager agrees to execute and deliver at Closing a "L. 2005, c.51 and Executive Order No. 117 Certification of No Change" in the form attached hereto as Exhibit C, and the Manager has agreed on behalf of itself and, in reliance upon the representations and warranties made by the other Underwriters to the Manager in the AAU, for the other Underwriters to continue to comply with the provisions of L. 2005, c. 51 and Executive Order No. 117 and as required by law, during the term of this Purchase Contract and for so long as the Underwriters have any obligation under this Purchase Contract; and

(ix) In accordance with Executive Order No. 9, dated and effective as of December 6, 2004, the Manager certifies for itself and, in reliance upon the representations and warranties made by the other Underwriters to the Manager in the AAU, for the other Underwriters, that neither the Manager nor any of the other Underwriters has employed or retained, directly or indirectly, any consultant who will be paid on a contingency basis if the Authority engages such firm to provide underwriting services in connection with the 2012 Series Bonds.

5. **Cooperation.** The Authority agrees to reasonably cooperate with the Manager and counsel to the Underwriters in any endeavor to qualify the 2012 Series Bonds for offering and sale under the securities or "Blue Sky" laws of such states as the Manager may request and will assist, if necessary, in continuing the effectiveness of such qualification so long as required for the distribution of the 2012 Series Bonds. The Authority consents to the use of the Official Statement by the Underwriters in obtaining such qualifications; provided, however, that the Authority shall not be required to consent to service of process or to file a written consent to suit or service of process. The Authority's failure to consent to service of process or to file a written consent to suit or service of process shall not relieve the Underwriters of their obligation to purchase the 2012 Series Bonds under this Purchase Contract.

6. **Closing.** At 10:00 a.m. prevailing New Jersey Time, on \_\_\_\_\_, 2012, or at such other time or on such earlier or later date as the Authority and the Manager mutually agree upon (herein called the "Closing"), the Authority will deliver or cause to be delivered the 2012 Series Bonds to the Trustee, as custodian for The Depository Trust Company, New York, New York ("DTC"), for the account of the Underwriters. The Underwriters will accept delivery of the 2012 Series Bonds and pay the Purchase Price at the Closing in Federal Reserve Funds or other immediately available funds payable to the Authority

or to the Trustee (or upon the Authority's direction to any other account). Simultaneously with the payment of the Purchase Price, the Underwriters shall pay [\$50,000] (the "Retainage"), or cause the Retainage to be paid, to the Trustee, which Retainage shall be applied by the Trustee in accordance with the provisions of Section 9(d) hereof. It is anticipated that CUSIP identification numbers will be printed on the 2012 Series Bonds, but neither the failure to print such numbers on any 2012 Series Bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the Underwriters to accept delivery of and make payment for the 2012 Series Bonds in accordance with the terms of this Purchase Contract. The 2012 Series Bonds shall be printed on safety paper and delivered in the form of a single fully registered bond for each stated maturity and interest rate within a maturity of each 2012 Series Bond, registered in the name of and to be held by or on behalf of Cede & Co., as nominee of DTC. The 2012 Series Bonds will be made available to the Underwriters or their designee for review at the offices of McCarter & English, LLP, Four Gateway Center, 100 Mulberry Street, Newark, New Jersey 07102 ("Bond Counsel"), at least one (1) business day prior to the Closing. After execution by the Authority and authentication by the Trustee, the 2012 Series Bonds shall be transferred to and held in safe custody by the Trustee, on behalf of DTC, in accordance with its FAST procedures, subject to such conditions as may be agreed upon by the Authority and the Manager. In addition, the Authority and the Underwriters agree that there shall be a preliminary closing held at the office of Bond Counsel commencing at least one (1) day prior to the Closing.

7. **Conditions Precedent to Closing.** The Underwriters have entered into this Purchase Contract in reliance upon the representations and agreements herein and the performance by the Authority of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriters' obligations under this Purchase Contract are and shall be subject to the following further conditions:

(a) At the time of Closing, (i) this Purchase Contract and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect after the date hereof except as may have otherwise been agreed to in writing by the Manager, (ii) each of the representations and warranties of the Authority herein shall be true, complete and correct in all material respects as if then made, and (iii) the Authority shall perform or have performed all obligations required under or specified in this Purchase Contract to be performed at or prior to the Closing;

(b) The Underwriters shall not have elected to cancel their obligations hereunder to purchase the 2012 Series Bonds, which election may be made by written notice by the Manager to the Authority only if between the date hereof and the Closing: (i) legislation shall be enacted by the Congress of the United States or any legislation, ordinance, rule or regulation shall be enacted by any governmental body, department or agency of the State or a final decision by a federal court (including the Tax Court of the United States) or a court of the State shall be rendered, or a final ruling, regulation or release or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other federal or State agency shall be made, with respect to federal or State taxation upon revenues or other income of the general character of interest on the 2012 Series Bonds, or which would have the effect of changing directly or indirectly the federal or State income tax consequences of interest on bonds of the general character of the 2012 Series Bonds in the hands of the holders thereof, and which in the Manager's reasonable opinion, materially adversely affects the marketability of the 2012 Series Bonds; (ii) a stop order, ruling or regulation by, or on behalf of, the Securities and



Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made (which is beyond the control of the Underwriters or the Authority to prevent or avoid) to the effect that the issuance, offering or sale of the 2012 Series Bonds, as contemplated by this Purchase Contract or by the Official Statement, or any document relating to the issuance, offering or sale of the 2012 Series Bonds, is in violation or would be in violation of any provision of the Securities Act of 1933, as amended, or the registration provisions of the Securities Exchange Act of 1934, as amended, or of the Trust Indenture Act of 1939, as amended as of the Closing; (iii) legislation shall be enacted by the Congress of the United States of America, or a final decision by a court of the United States of America shall be rendered, that has the effect of requiring the 2012 Series Bonds to be registered under the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or requiring the Resolution to be qualified under the Trust Indenture Act of 1939, as amended, and as then in effect; (iv) any event shall have occurred that, in the reasonable judgment of the Manager, either (A) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement, or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any materially adverse respect, and, such event in the reasonable judgment of the Manager, materially adversely affects (x) the marketability of the 2012 Series Bonds or (y) the ability of the Underwriters to enforce confirmations of or contracts for the sale of the 2012 Series Bonds; (v) a general banking moratorium shall have been declared by federal or State authorities and be in force; (vi) since the date of this Purchase Contract, there shall have occurred any new outbreak of hostilities or other national or international crisis or calamity, the effect of which on the financial markets of the United States of America, in the reasonable judgment of the Manager, is such as to materially and adversely affect the ability of the Underwriters to enforce confirmations of or contracts for the sale of the 2012 Series Bonds; or (vii) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets is such as to materially and adversely affect the marketability of the 2012 Series Bonds; and

(c) at or prior to the Closing, the Manager shall receive copies of each of the following documents, certificates and opinions, each dated the date of the Closing unless otherwise specified:

(i) the Resolution certified by an Authorized Authority Official;

(ii) (A) the approving opinion of Bond Counsel dated the date of Closing, substantially in the form included in the Official Statement; (B) the opinions of Bond Counsel dated the date of Closing required by Sections 202(1)(3) and 1004(2) of the Resolution; (C) a supplemental opinion of Bond Counsel, dated the date of Closing and addressed to the Authority, the State Treasurer and the Underwriters in substantially the form attached hereto as Exhibit A and incorporated herein by this reference; and (D) a reliance letter of Bond Counsel dated the date of Closing and addressed to the Underwriters, to the effect that the Underwriters may rely on the approving opinion referred to in clause (A) as if such opinion was addressed to the Underwriters;

(iii) an opinion of the Attorney General of the State in substantially the form attached hereto as Exhibit D;

(iv) letters of the Governor of the State and the Treasurer approving the adoption of the 2012 Transportation Program Bond Resolution and the First Supplemental Resolution by the Authority at a meeting held on \_\_\_\_\_, 2012;

(v) a general certificate, dated the date of Closing, of the Authority as to incumbency, signatures and other matters and notice of meetings, including, but not limited to, a certification to the effect that minutes of the meeting of the Authority held on \_\_\_\_\_, 2012, as they relate to various actions taken in connection with the issuance of the 2012 Series Bonds, were duly delivered to the Governor in accordance with the Act and such minutes were approved by the Governor;

(vi) an executed copy of the State Contract, certified as of the date of Closing by an Authorized Authority Official as having been duly authorized, executed and delivered by the Authority and being in full force and effect with only such amendments, modifications or supplements subsequent to the date of this Purchase Contract as may have been agreed to by the Underwriters;

(vii) ratings letters or other documents providing evidence of the ratings for the 2012 Series Bonds as set forth in the Official Statement, which ratings shall not have been suspended, lowered or withdrawn prior to the date of the Closing;

(viii) an executed copy of each of the Continuing Disclosure Agreement and the Authority's Tax Certificate relating to the 2012 Series Bonds dated the date of Closing;

(ix) a Certificate of the Trustee in form and substance satisfactory to the Manager, Bond Counsel and the Authority;

(x) an opinion of Counsel to the Trustee, addressed to the Authority and the Underwriters, in form and substance acceptable to the Authority, Bond Counsel and the Underwriters;

(xi) an opinion of Counsel to the Underwriters, in substantially the form attached hereto as Exhibit E;

(xii) a certificate of the Authority as required by Section 9(i) of the Act;

(xiii) the written order as to delivery of the 2012 Series Bonds required by Sections 202(1)(4) of the Resolution and a certificate of the Authority as required by Section 202(1)(6) of the Resolution;

(xiv) a certificate, dated the date of the Closing, signed by an Authorized Authority Official, to the effect that to the best of that person's knowledge, the representations of the Authority herein are true and correct in all material respects as if made as of the date of the Closing;

(xv) a certificate of the Treasurer relating to information in Appendix I of the Official Statement and certain other matters, the form of which

certificate is set forth in Exhibit B attached hereto and incorporated herein by this reference;

(xvi) a copy of the Act, as amended to the date of the Closing, certified by the Secretary of the Authority or an Authorized Authority Official;

(xvii) an executed copy of the IRS Form 8038-G relating to the 2012 Series Bonds;

(xviii) an executed acknowledgement and certification of the Authority and \_\_\_\_\_ in substantially the form attached hereto as Exhibit G;

(xix) such additional legal opinions, certificates, proceedings, instruments and other documents as may be required by the Series Certificate; and

(xx) such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriters, their counsel, Bond Counsel or the Attorney General of the State, may reasonably request to evidence compliance by the parties with legal requirements, the truth and accuracy, as of the time of Closing, of the parties' representations herein contained and the due performance or satisfaction by the parties at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the parties. All of the opinions, letters, certificates, instruments and documents (other than those, the form of which is specifically agreed to by the parties and the Underwriters as set forth in this Purchase Contract) shall be deemed to be in compliance with the provisions of this Purchase Contract if, but only if, in the reasonable judgment of the Underwriters, they are satisfactory in form and substance.

If there shall be a failure to satisfy the conditions to the Underwriters' obligations contained in this Purchase Contract, or if the Underwriters' obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and the parties shall have no further obligation hereunder, except that the respective obligations of the parties to pay expenses, as provided in Section 9 hereof, shall remain in full force and effect and except that the Good Faith Deposit shall be returned to the Manager in accordance with Section 2 hereof.

8. **Amendments and Supplements to the Official Statement.** The "end of the underwriting period" for the 2012 Series Bonds for all purposes of the Rule is the date of the Closing. During the period from the date hereof to and including a date which is twenty-five (25) days following the end of the underwriting period for the 2012 Series Bonds (as determined in accordance with this Section 8), the Authority will (a) not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Manager shall reasonably object in writing, unless the Authority and the Underwriters have obtained the written opinion of Bond Counsel, stating that such amendment or supplement is necessary in order to make the Official Statement not misleading in the light of the circumstances existing at the time that it is delivered to a purchaser, and (b) if any event relating to or affecting the Authority, the State or the 2012 Series Bonds shall occur as a result of which it is necessary, in the written opinion of Bond Counsel addressed to the Authority and the Underwriters, to amend or to supplement the Official Statement in order to make the Official

Statement not misleading in the light of the circumstances existing at the time it is delivered, forthwith prepare and furnish to the Underwriters, subject to customary disclaimers regarding the transmission of electronic copies, an electronic copy of the amendment and supplement to the Official Statement to the Underwriters (in form satisfactory to the Authority and the Manager) in the currently designated format stated in MSRB Rule G-32. Within one business day of the receipt of such amendment and supplement, the Manager shall, at its own expense, file such amendment and supplement with EMMA in accordance with Rule G-32 and will provide notice of such filing to the Authority. The Manager agrees to comply with the provisions of MSRB Rule G-32 as in effect on the date hereof, with respect to the filing of such amendment or supplement to the Official Statement and to notify the Authority of the date on which such amendment or supplement to the Official Statement is filed with EMMA. In addition, the Authority will provide the Underwriters with printed copies of such amendment and supplement in such quantities that the Underwriters request; provided, that the number of copies for which the Authority is responsible will not exceed [250] copies. Should the Underwriters require additional copies of such amendment and supplement in excess of [250] copies, the cost of such additional copies shall be borne by the Underwriters.

9. **Expenses.** (a) If the 2012 Series Bonds are sold to the Underwriters hereunder, there shall be paid from the proceeds of the 2012 Series Bonds, all expenses incidental to the issuance of the 2012 Series Bonds, including, but not limited to: (i) the cost of the printing and delivery of the Preliminary Official Statement and Official Statement, together with a number of copies which the Underwriters deem reasonable, but not in excess of the amount specified in Section 3 hereof; (ii) the cost of the preparation and printing of the definitive 2012 Series Bonds; (iii) the fees and disbursements of Bond Counsel and any other experts or consultants retained by the Authority; (iv) the fees and disbursements of the Trustee and its counsel; and (v) the charges of the rating services and filing and listing fees.

(b) The Authority shall not be responsible for the payment of costs incurred by the Underwriters relating to any expenses incurred by them, including, without limitation, the fees and expenses of their counsel, and "Blue Sky" filing fees or advertising expenses in connection with the public offering of the 2012 Series Bonds, and the payment of the Underwriters' discount referred to in Section 1 hereof constitutes the only amount due to the Underwriters in connection with the sale and issuance of the 2012 Series Bonds.

(c) In addition, the Manager shall not charge the Underwriters under the AAU or other similar agreement for a proportionate share of any expenses, unless the amount and type of such expenses have been approved in writing for such proportionate sharing by the Treasurer.

(d) The Retainage paid by the Underwriters to the Trustee simultaneously with the payment of the Purchase Price shall be held by the Trustee until such time as the Manager has provided the Authority and the Treasurer with all reports or other documents to which the Authority and the Treasurer may be entitled to pursuant to the Resolution, this Purchase Contract or the other documents executed and delivered in connection herewith or therewith. Upon the delivery of written notice by the Treasurer to the Trustee stating that the Underwriters have satisfied the condition set forth in the preceding sentence, the Trustee shall disburse the Retainage to the Underwriters.

10. **Notices.** Any notice or other communication to be given under this Purchase Contract may be given by delivering the same in writing as follows:

New Jersey Transportation Trust Fund Authority:  
1035 Parkway Avenue  
P.O. Box 600  
Trenton, New Jersey 08625  
Attention: Executive Director

*with a required copy to:*

The State of New Jersey  
Office of Public Finance  
P.O. Box 005  
50 West State Street, 5th Floor  
Trenton, New Jersey 08625  
Attention: Director

*MANAGER:*

Barclays Capital Inc.  
745 Seventh Avenue, 13th Floor  
New York, NY 10019  
Attn: \_\_\_\_\_

11. **Counterparts.** This Purchase Contract may be executed in any number of counterparts, each of which so executed and delivered shall constitute an original and all of which together shall constitute but one and the same instrument.

12. **Assignment.** This Purchase Contract may not be assigned by either party without the written consent of the other party hereto.

13. **Benefit.** This Purchase Contract is made solely for the benefit of the Authority and the Underwriters (including the successors or assigns of any of said parties) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. The terms "successors" and "assigns" as used herein shall not include any purchaser, as such purchaser, of any of the 2012 Series Bonds from the Underwriters. All representations and agreements of the Authority and the Underwriters in this Purchase Contract shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriters and shall survive the delivery of and payment for the 2012 Series Bonds.

14. **Governing Law.** This Purchase Contract shall be governed by and construed in accordance with the laws of the State.

15. **Effect.** The performance of the obligations of the Authority hereunder is subject to the performance by the Underwriters of their obligations hereunder.

**BARCLAYS CAPITAL INC., on behalf  
of the Underwriters, including itself**

By: \_\_\_\_\_

ACCEPTED:

**NEW JERSEY TRANSPORTATION TRUST  
FUND AUTHORITY**

By: \_\_\_\_\_  
GARY BRUNE  
Executive Director

**SCHEDULE I**  
**LIST OF UNDERWRITERS**

Barclays Capital Inc.

**SCHEDULE II**

**AMOUNTS, MATURITIES, OTHER TERMS AND  
REDEMPTION PROVISIONS OF THE 2012 SERIES BONDS**

\$ \_\_\_\_\_,000  
Transportation Program Bonds, 2012 Series AA

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>

\*Yield to first optional redemption date of June 15, 20\_\_.



**Redemption Provisions**

*Optional Redemption.* The 2012 Series Bonds maturing on or after June 15, 202\_\_ are subject to optional redemption prior to maturity at the option of the Authority, at any time on or after June 15, 202\_\_, either in whole or in part, from maturities selected by the Authority at a Redemption Price equal to 100% of the principal amount of the 2012 Series Bonds being redeemed, plus accrued interest thereon to the redemption date.

*Mandatory Sinking Fund Redemption.* The 2012 Series Bonds maturing on June 15, 20\_\_ and June 15, 20\_\_ are subject to mandatory sinking fund redemption prior to maturity, in part, on June 15 in each of the years and in the respective principal amounts set forth below, at a Redemption Price equal to 100% of the principal amount being redeemed, plus accrued interest, if any, to the date of redemption, from mandatory Sinking Fund Installments:

Term Bond Due June 15, 20__		Term Bond Due June 15, 20__	
Redemption Date (June 15)	Principal Amount	Redemption Date (June 15)	Principal Amount

---

\* Final Maturity.

The 2012 Series Bonds may be purchased by the Authority to satisfy the above Sinking Fund Installments from amounts on deposit in the Debt Service Fund or from other available funds of the Authority. Unless the Trustee is otherwise directed in writing by the Authority, the 2012 Series Bonds so purchased shall be credited toward each Sinking Fund Installment thereafter to become due in an amount bearing the same ratio to each such Sinking Fund Installment as the total principal amount of all the 2012 Series Bonds so purchased bears to the total amount of all such Sinking Fund Installments to be so credited.

*Selection of Bonds to be Redeemed.* If the 2012 Series Bonds are registered in book-entry only form and so long as DTC, or a successor securities depository, is the sole registered owner of the 2012 Series Bonds and if less than all of the 2012 Series Bonds of a maturity are called for prior redemption, the particular 2012 Series Bonds or portions thereof to be redeemed shall be selected on a pro rata basis in accordance with DTC procedures.

If the 2012 Series Bonds are not registered in book-entry only form, any redemption of less than all of a maturity of the 2012 Series Bonds shall be effected by the Trustee among owners on a pro-rata basis subject to minimum Authorized Denominations.

Notice of Redemption. When the Trustee shall receive notice from the Authority of its election or direction to redeem the 2012 Series Bonds, and when redemption of the 2012 Series Bonds is authorized or required pursuant to the Resolution, the Trustee shall give notice, in the name of the Authority, of the redemption of such 2012 Series Bonds, which notice shall specify the maturities of the 2012 Series Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the 2012 Series Bonds of the same maturity are to be redeemed, the letters and numbers or other distinguishing marks of such 2012 Series Bonds so to be redeemed, and, in the case of 2012 Series Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on the redemption date there shall become due and payable upon each 2012 Series Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of 2012 Series Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice 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 2012 Series Bonds or portions of 2012 Series Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry books. Such notice shall also be given by publication once a week for at least two (2) successive weeks in any Authorized Newspaper, the first such publication to be made not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. Failure of the registered owner of any 2012 Series Bonds which are to be redeemed to receive any such notice, or failure of the Authority to publish notice of redemption as provided in the immediately preceding sentence, shall not affect the validity of the proceedings for the redemption of 2012 Series Bonds.

So long as DTC is acting as securities depository for the 2012 Series Bonds, all notices of redemption required to be given to the registered owners of the 2012 Series Bonds will be given to DTC.

EXHIBIT A

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

\_\_\_\_\_, 2012

New Jersey Transportation Trust Fund  
Authority  
1035 Parkway Avenue  
Trenton, New Jersey 08625

The Honorable Andrew P. Sidamon-Eristoff  
Treasurer of the State of New Jersey  
State House  
Trenton, New Jersey 08625

Barclays Capital Inc., as  
Manager of the Underwriters  
745 Seventh Avenue  
New York, New York 10019

Re: New Jersey Transportation Trust Fund Authority  
Transportation Program Bonds, 2012 Series AA

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance of \$\_\_\_\_\_,000,000 aggregate principal amount of Transportation Program Bonds, 2012 Series AA (the "2012 Series Bonds"), by the New Jersey Transportation Trust Fund Authority (the "Authority"), a public body corporate and politic organized and existing under the laws of the State of New Jersey (the "State") created pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984, constituting Chapter 73 of the Laws of New Jersey of 1984, as amended and supplemented (the "Act").

The 2012 Series Bonds are being issued under and pursuant to the Act, and under and pursuant to the Authority's 2012 Transportation Program Bond Resolution, adopted on \_\_\_\_\_, 2012 (the "Bond Resolution"), as amended and supplemented, including as supplemented by the First Supplemental Transportation Program Bond Resolution adopted by the Authority on \_\_\_\_\_, 2012 (the "First Supplemental Resolution"), and a series certificate of the Authority, dated \_\_\_\_\_, 2012 (the "Series Certificate"). The Bond Resolution, as amended and supplemented, including as supplemented by the First Supplemental Resolution, and, together with the Series Certificate, is referred to collectively herein as the "Resolution." Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Resolution or the Bond Purchase Contract relating to the 2012 Series Bonds, dated \_\_\_\_\_, 2012 (the "Purchase Contract"), between the Authority and Barclays Capital Inc., as Manager, acting on behalf of itself and the other Underwriters named therein.

The 2012 Series Bonds are being issued for the purposes of (i) paying State Transportation System Costs and (ii) paying costs of issuance of the 2012 Series Bonds.

The Act provides for certain payments to be made from the Transportation Trust Fund Account in the State General Fund to the Authority, subject to and dependent upon appropriations being made from time to time by the New Jersey State Legislature for such purpose. Pursuant to the Act, the Authority has entered into an agreement entitled "Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act with Respect to Transportation Program Bonds," dated as of October \_\_, 2012 (the "State Contract"), with the State Treasurer and the Commissioner of the New Jersey Department of Transportation (the "Commissioner") to implement such payments and other arrangements provided for in the Act.

In rendering the opinions set forth below, we have examined such matters of law and documents, certificates, records and other instruments as we have deemed necessary or appropriate to express the opinions set forth below, including, without limitation, the Act, original counterparts or certified copies of the Resolution, the State Contract, the Purchase Contract, the Continuing Disclosure Agreement and the other documents, certifications, instruments, opinions and records delivered in connection with the issuance of the 2012 Series Bonds. In rendering the opinions set forth below, we have assumed and relied upon, with your permission, the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinions we have relied, with your permission, upon the truthfulness, completeness and accuracy of the aforesaid instruments, certificates, opinions (other than the Attorney General's opinion), records and other documents without any independent investigation thereof.

Based on the foregoing, we are of the opinion that:

(1) The Purchase Contract and the Continuing Disclosure Agreement have been duly authorized, executed and delivered by the Authority and constitute legal, valid and binding obligations of the Authority, enforceable against the Authority in accordance with their respective terms, except as the enforcement thereof may be affected by applicable bankruptcy, insolvency, moratorium or other similar laws or legal principles relating to the enforcement of creditors' rights generally from time to time in effect and to the scope of equitable remedies which may be available.

(2) The Continuing Disclosure Agreement has been duly executed and delivered by the Treasurer and constitutes a legal, valid and binding obligation of the Treasurer, enforceable against the Treasurer in accordance with its terms, except as the enforcement thereof may be affected by applicable bankruptcy, insolvency, moratorium or other similar laws or legal principles relating to the enforcement of creditors' rights generally from time to time in effect and to the scope of equitable remedies which may be available.

(3) The information in the sections of the Official Statement (except for the financial, tabular and other statistical information included therein) entitled "INTRODUCTION," "SECURITY FOR THE 2012 SERIES BONDS," "STATUTORY DEBT ISSUANCE LIMITATIONS," "PLAN OF FINANCE," "INTEREST RATE SWAP AGREEMENTS," "DESCRIPTION OF THE 2012 SERIES BONDS" (except for information under the caption "Book-Entry Only System"), "THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY - Legal Authority and Responsibilities," "THE NEW JERSEY

TRANSPORTATION TRUST FUND AUTHORITY - Powers of the Authority,” “LEGALITY FOR INVESTMENT,” “CONTINUING DISCLOSURE AGREEMENT” and in Appendix II, was, as of the date of the Official Statement, and is, as of the date hereof, a true and accurate summary and description in all material respects of the information summarized or described therein. The statements on the front cover and contained in the section of the Official Statement entitled “TAX MATTERS,” insofar as such statements purport to summarize certain provisions of Federal and State tax law, regulations and rulings, are true and accurate summaries in all material respects of the provisions so summarized.

(4) The Authority has duly authorized the execution, delivery, and distribution of the Official Statement.

(5) The 2012 Series Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended.

(6) All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction (other than any Blue Sky or other state securities laws approvals) which constitute a condition precedent to the performance by the Authority of its obligations under the Purchase Contract and the 2012 Series Bonds, and its obligations under the Resolution and the State Contract relating to the 2012 Series Bonds, have been obtained and are in full force and effect.

In accordance with our understanding with you, we have participated in the preparation of the Official Statement and in that connection have participated in conferences with officers and representatives of the Authority, the Treasurer, the Attorney General of the State of New Jersey, the Underwriters, and Counsel to the Underwriters. Based upon our participation in the preparation of the Official Statement and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement other than as set forth in Paragraph 3 above, we have no reason to believe that, as of the date of the Official Statement and as of the date hereof, the Official Statement (except for the financial, tabular and other statistical information included therein, information with respect to DTC and the book-entry system for the 2012 Series Bonds and the information contained in the sections therein entitled “DESCRIPTION OF THE 2012 SERIES BONDS - Book-Entry Only System,” and “LITIGATION,” and in Appendix I thereto, as to all of which no view is expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The opinions expressed herein are based upon, and limited to, the laws and judicial decisions of the State, exclusive of conflicts of law provisions, and the federal laws and judicial decisions of the United States as of the date hereof and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions, or laws or judicial decisions hereafter enacted or rendered. Our engagement by the Authority with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or otherwise inform the addressees hereof of the amendment, repeal or other modification of the applicable laws or

judicial decisions that served as the basis for this opinion letter or of laws or judicial decisions hereafter enacted or rendered which impact on this opinion letter.

This opinion is furnished by us as bond counsel to the Authority and may be relied upon only by the addressees hereto in connection with the issuance and sale of the 2012 Series Bonds. This opinion letter is being furnished solely to the parties to whom it is addressed and may not be relied upon by any other person, although a copy of this opinion may be included in the closing transcript relating to the 2012 Series Bonds. This is only an opinion letter and not a warranty or guaranty of the matters discussed herein. Notwithstanding anything to the contrary contained herein, we acknowledge that this opinion is a government record subject to release under the Open Public Records Act (N.J.S.A. 47:1A-1 et seq.).

Very truly yours,

EXHIBIT B

CERTIFICATE OF THE TREASURER OF THE  
STATE OF NEW JERSEY  
REQUIRED BY THE PURCHASE CONTRACT FOR THE  
NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

\$ \_\_\_\_\_,000 Transportation Program Bonds, 2012 Series AA

I, ANDREW P. SIDAMON-ERISTOFF, the duly appointed Treasurer of the State of New Jersey (the "State"), DO HEREBY CERTIFY that:

1. The State has furnished the information contained in Appendix I entitled, "FINANCIAL AND OTHER INFORMATION RELATING TO THE STATE OF NEW JERSEY" (collectively, "Appendix I") which is included in the Official Statement (the "Official Statement"), dated \_\_\_\_\_, 2012, relating to the issuance of \$\_\_\_\_,000,000 aggregate principal amount of the New Jersey Transportation Trust Fund Authority's Transportation Program Bonds, 2012 Series AA, and consents to the use of such information in Appendix I of the Official Statement.

2. The information contained in Appendix I as of the date of the Official Statement did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

3. There has been no material adverse change in the financial condition and affairs of the State during the period from the date of the Official Statement to and including the date hereof which has not been disclosed in or contemplated by Appendix I.

4. Except as set forth above, the State has not furnished, and makes no representation with respect to, any other information contained in the Official Statement, including information contained in the other appendices thereto.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_, 2012.

TREASURER, STATE OF NEW JERSEY

\_\_\_\_\_  
ANDREW P. SIDAMON-ERISTOFF

EXHIBIT C

FORM OF L. 2005, c.51 AND EXECUTIVE ORDER NO. 117  
CERTIFICATION OF NO CHANGE

I, \_\_\_\_\_, \_\_\_\_\_ of Barclays Capital Inc. (the "Manager"), in reliance upon the representations and warranties made to the Manager in the Agreement Among Underwriters, dated \_\_\_\_\_, 2012, by the other Underwriters (collectively, the "Underwriters") listed on Schedule I to the Bond Purchase Contract (the "Purchase Contract"), dated \_\_\_\_\_, 2012, by and between the New Jersey Transportation Trust Fund Authority (the "Authority") and the Manager, on behalf of itself and the other Underwriters, relating to the Authority's \$\_\_\_\_,000,000 Transportation Program Bonds, 2012 Series AA (the "2012 Series Bonds"), HEREBY CERTIFY, on behalf of the Manager and the other Underwriters, that all information, certifications and disclosure statements previously provided in connection with L. 2005, c.51 and Executive Order No. 117 (Corzine 2008) and, as required by law, are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority and the State of New Jersey will rely upon the truth of the statements contained herein and in the Purchase Contract in engaging the Manager and the other Underwriters in connection with the sale and issuance of the 2012 Series Bonds.

IN WITNESS WHEREOF, I have executed this Certificate this \_\_\_ day of \_\_\_\_\_, 2012.

BARCLAYS CAPITAL INC.

By: \_\_\_\_\_  
Name:  
Title:



EXHIBIT D

FORM OF OPINION OF THE ATTORNEY GENERAL  
OF THE STATE OF NEW JERSEY

\_\_\_\_\_, 2012

Treasurer of the State of New Jersey  
State House  
Trenton, New Jersey 08625

New Jersey Transportation Trust  
Fund Authority  
1035 Parkway Avenue  
Trenton, New Jersey 08625

Dear State Treasurer and Members of the Authority:

We have acted as counsel to the New Jersey Transportation Trust Fund Authority (the "Authority"), a public body corporate and politic of the State of New Jersey (the "State") in connection with the issuance of \$\_\_\_\_\_,000,000 aggregate principal amount of Transportation Program Bonds, 2012 Series AA (the "2012 Series Bonds"). We also act as counsel to the State in accordance with N.J.S.A. 52:17A-4.

The 2012 Series Bonds are being issued under and pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984, L. 1984, c.73, as amended (the "Act"), and pursuant to a resolution of the Authority, adopted on \_\_\_\_\_, 2012, entitled "2012 Transportation Program Bond Resolution" (the "Bond Resolution"), as supplemented by a resolution of the Authority, adopted on \_\_\_\_\_, 2012, entitled "First Supplemental Transportation Program Bond Resolution" (the "First Supplemental Resolution"), and a series certificate of the Authority, dated \_\_\_\_\_, 2012 (the "Series Certificate") (the Bond Resolution, as amended and supplemented, including as supplemented by the First Supplemental Resolution and the Series Certificate, being hereinafter called the "Resolution"). Capitalized terms used but not defined herein shall have the meanings given to them in the Resolution.

The 2012 Series Bonds are being issued for the purposes of (i) paying State Transportation System Costs and (ii) paying costs of issuance of the 2012 Series Bonds.

The Act provides for certain payments to be made from the Transportation Trust Fund Account (as defined in the Act) in the State General Fund to the Authority subject to and dependent upon appropriations being made from time to time by the New Jersey State Legislature for such purpose. Pursuant to the Act, the Authority, the Treasurer of the State (the "Treasurer") and the Commissioner of the Department of Transportation of the State (the "Commissioner") have entered into an agreement entitled "Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act with Respect to Transportation Program Bonds," dated as of October \_\_, 2012 (the "State Contract"), to implement such payments and other arrangements provided for in the Act.

The Treasurer, the Authority and [TD Bank, National Association], as Trustee for the 2012 Series Bonds (the "Trustee"), have entered into the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), dated the date of the issuance of the 2012 Series Bonds, for the benefit of the Bondholders in order to comply with Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission.

In connection with the opinions set forth below, we have examined such documents, records of the Authority and other instruments, including original counterparts or certified copies of the State Contract, the Resolution, the Bond Purchase Contract, dated \_\_\_\_\_, 2012, between the Authority and Barclays Capital Inc., the manager on behalf of the underwriters listed on Schedule I thereto, the Continuing Disclosure Agreement, the Official Statement, dated \_\_\_\_\_, 2012, relating to the 2012 Series Bonds (the "Official Statement") and the other documents listed in the closing memorandum relating to the 2012 Series Bonds and such matters of law and other proofs, as we deemed necessary to enable us to express the opinions set forth below.

Based upon the foregoing, we are of the opinion that:

1. Based on such inquiry and investigation as we have deemed sufficient, except as otherwise set forth in the Official Statement, there is no litigation or other proceeding pending in any court or in any State agency or other administrative body which would affect the adoption of the Bond Resolution or the First Supplemental Resolution or would restrain or enjoin the execution and delivery by the Authority of the State Contract, the Continuing Disclosure Agreement, the Series Certificate or the 2012 Series Bonds or would have a materially adverse effect on the ability of the Authority to carry out its obligations under such documents or in any way questioning the validity of any of the provisions of the Bond Resolution, the First Supplemental Resolution, the Continuing Disclosure Agreement, the Series Certificate or the State Contract or the validity of the 2012 Series Bonds.

2. The adoption of the Bond Resolution and the First Supplemental Resolution, the execution and delivery of the State Contract, the Continuing Disclosure Agreement and the Series Certificate and compliance with the provisions thereof under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any regulation, court order or consent decree to which the Authority is subject.

3. Except as otherwise set forth in the Official Statement, there is no litigation or other proceeding in any court or in any State agency or other administrative body which would restrain or enjoin the execution and delivery by the Treasurer of the State Contract or the Continuing Disclosure Agreement or would have a materially adverse effect on the Treasurer's power to make the payments under the State Contract or in any way questioning the validity of any of the provisions of the State Contract or the Continuing Disclosure Agreement.

4. To the best of our knowledge, the statements appearing under the caption "LITIGATION" in the Official Statement are accurate and complete in all material respects as of the date of the Official Statement and as of the date hereof.

This opinion is given as of the date of delivery hereof and no opinion is expressed as to any matter not explicitly set forth herein.

Sincerely yours,

JEFFREY S. CHIESA  
ATTORNEY GENERAL OF NEW JERSEY

By: \_\_\_\_\_

Deputy Attorney General

EXHIBIT E

FORM OF OPINION OF COUNSEL TO UNDERWRITERS

\_\_\_\_\_, 2012

Barclays Capital Inc., as Manager  
of the Underwriters  
745 Seventh Avenue  
New York, New York 10019

Re: New Jersey Transportation Trust Fund Authority  
Transportation Program Bonds, 2012 Series AA

Ladies and Gentlemen:

We have acted as counsel to you (the "Manager"), as representative acting for and on behalf of yourself and the underwriters (the "Underwriters") named in the list attached as Schedule I to the Purchase Contract (as hereinafter defined), in connection with the sale and issuance by the New Jersey Transportation Trust Fund Authority (the "Authority") of its \$\_\_\_\_,000,000 Transportation Program Bonds, 2012 Series AA (the "Bonds"), pursuant to the Bond Purchase Contract, dated \_\_\_\_\_, 2012 (the "Purchase Contract"), by and between the Authority and the Manager.

In our capacity as counsel to the Underwriters, we have examined and relied upon originals or copies, certified or otherwise identified to our satisfaction, of a record of proceedings with respect to the issuance of the Bonds including, but not limited to:

(a) the Authority's 2012 Transportation Program Bond Resolution, adopted on \_\_\_\_\_, 2012, as amended and supplemented (the "2012 Transportation Program Bond Resolution"), including by the First Supplemental Transportation Program Bond Resolution adopted on \_\_\_\_\_, 2012 (the "First Supplemental Resolution"), and a series certificate of the Authority, dated \_\_\_\_\_, 2012 (the "Series Certificate" and, together with the First Supplemental Resolution, the "2012 Series Bond Resolution"; the 2012 Transportation Program Bond Resolution, as amended and supplemented, including the amendments and supplements made by the 2012 Series Bond Resolution, is collectively referred to herein as the "Resolution");

(b) the Official Statement of the Authority dated \_\_\_\_\_, 2012 (the "Official Statement");

(c) the Purchase Contract;

(d) the Continuing Disclosure Agreement dated \_\_\_\_\_, 2012 (the "Continuing Disclosure Agreement") by and among the Treasurer, the Authority and the Trustee, as Dissemination Agent, relating to the Bonds; and

(e) the opinions of counsel (except the opinion of the State of New Jersey, Office of the Attorney General), certificates, letters and others documents required by the Purchase Contract.

In addition, we have examined and relied upon such other documents, instruments, records of proceedings and corporate and public records, and have made such investigations of law, as we have considered necessary or appropriate for the purpose of the opinions set forth below. In our examination, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to the originals of all documents submitted to us as certified, photostatic or conformed copies thereof and the authenticity of the originals of all such documents.

Based upon the foregoing, and subject to the limitations and qualifications below, we are of the opinion that:

1. The Bonds are exempted securities described in Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 304(a)(4) of the Trust Indenture Act of 1939, as amended. No registration with the Securities and Exchange Commission under the Securities Act of 1933, as amended, need be made in connection with the offering and sale of the Bonds, and the Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended.
2. The Continuing Disclosure Agreement satisfies Section (b)(5)(i) of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), which requires an undertaking for the benefit of the holders, including beneficial owners, of the Bonds to provide certain annual financial information and event notices to various information repositories at the time and in the manner required by the Rule.
3. The conditions in the Purchase Contract to your obligation to purchase the Bonds have been satisfied, except to the extent that you have agreed to waive such conditions.

In accordance with our understanding with the Underwriters, we rendered legal advice and assistance to the Underwriters in the course of their investigation pertaining to, and their participation in the preparation of, the Official Statement and the issuance and sale of the Bonds. Rendering such assistance involved, among other things, discussions and inquiries concerning various legal and related subjects, and reviews of certain documents with representatives of the Underwriters, with officers, agents, and employees of the Authority and the Treasurer, with McCarter & English, LLP, Bond Counsel, and with the Office of the Attorney General of the State of New Jersey, as counsel to the Authority and the Treasurer, during which the contents of the Official Statement and related matters were discussed and reviewed.

The limitations inherent in the independent verification of factual matters and the character of determinations involved in the preparation of the Official Statement are such, however, that we have necessarily assumed the accuracy, completeness and fairness of, and take no responsibility for any of, the statements made in the Official Statement. Also, we do not

express any opinion or belief as to the financial, tabular and statistical data contained in the Official Statement or as to the information contained in the Appendices to the Official Statement.

In the course of our participation in the preparation of the Official Statement and our representation of the Underwriters, and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, nothing has come to our attention that would lead us to believe that the Official Statement (except for the financial, tabular and statistical data included therein and in the Appendices thereto, and except for information contained under the heading "DESCRIPTION OF THE 2012 SERIES BONDS - Book Entry Only System," as to all of which we express no view), as of its date and as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The foregoing opinions are qualified to the extent that the enforceability of the Bonds and the Resolution may be limited under bankruptcy, insolvency, moratorium or other similar laws or equitable principles affecting creditors' rights or remedies generally and may be subject to the exercise of judicial discretion in applicable cases.

We are authorized to practice law in the State of New Jersey, and we do not purport to be experts on, or to express any opinion herein concerning, any law, other than the laws of the State of New Jersey, and the applicable laws of the United States of America.

The opinions expressed herein are solely for the benefit of, and may only be relied upon by, the Underwriters. This opinion may not be relied upon by any other person or entity. The opinions expressed herein are as of the date hereof, and we make no undertaking to amend or supplement such opinions as facts and circumstances come to our attention or changes in the law occur which could affect such opinions.

Notwithstanding anything to the contrary contained herein, the undersigned acknowledges that this opinion is a government record subject to release under the Open Public Records Act (N.J.S.A. 47:1A-1 et seq.).

Very truly yours,

**EXHIBIT F**

**FORM OF ISSUE PRICE CERTIFICATE**

\_\_\_\_\_, 2012

New Jersey Transportation Trust Fund  
Authority  
1035 Parkway Avenue  
Trenton, New Jersey 08625

McCarter & English, LLP  
Four Gateway Center  
100 Mulberry Street  
Newark, New Jersey 07102

**Re:                 \$\_\_\_\_\_,000,000 New Jersey Transportation Trust  
                          Fund Authority, Transportation Program Bonds, 2012 Series AA**

Ladies and Gentlemen:

Barclays Capital Inc., as representative acting for and on behalf of itself and the respective underwriters (collectively, the "Underwriters") of the \$\_\_\_\_\_,000,000 New Jersey Transportation Trust Fund Authority, Transportation Program Bonds, 2012 Series AA (the "2012 Series Bonds"), pursuant to the Bond Purchase Contract dated \_\_\_\_\_, 2012 (the "Sale Date") with respect to the 2012 Series Bonds (the "Purchase Contract"), hereby represents in connection with the sale and issuance of the 2012 Series Bonds, to the best of its knowledge and belief, as follows:

1. Initial Offering to the Public. The Underwriters have made a bona fide public offering of all of the 2012 Series Bonds to the public (which for this purpose excludes bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) pursuant to the Purchase Contract at prices not greater than, or in the case of obligations sold on a yield basis, at yields no lower than, the respective prices or yields shown on the inside front cover of the Official Statement dated \_\_\_\_\_, 2012 relating to the 2012 Series Bonds (the "Official Statement"). At the time the Purchase Contract was signed, based upon the then prevailing market conditions and other available information, the Underwriters reasonably expected that each maturity of the 2012 Series Bonds would be offered to the public (which for this purpose excludes bond houses, brokers or similar persons or organizations acting in the capacity of the underwriters or wholesalers) at prices not greater than, or yields not less than, the respective prices or yields shown on the inside front cover of the Official Statement (each an "Initial Public Offering Price"). At least ten percent (10%) or more in par amount of each stated maturity of the 2012 Series Bonds was first sold to the public (which for this purpose excludes bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) on or before the Sale Date at the Initial Public Offering Price for such maturity.

Based on the Initial Public Offering Price of each maturity of the 2012 Series Bonds, the Issue Price of the 2012 Series Bonds is \$ \_\_\_\_\_. The Underwriters have no reason to believe that any of Initial Offering Prices of the 2012 Series Bonds exceeded the fair market value of the 2012 Series Bonds as of the Sale Date.

2. Yield. We have been advised by Bond Counsel that the yield on an issue of tax-exempt bonds is the discount rate that produces the same present value on the date of issue thereof that, when used in computing the present value of all payments of principal and interest and qualified guarantee fees to be made with respect to such issue of bonds, equals the present value of the aggregate of the "issue prices" of such issue of bonds. The 2012 Series Bonds maturing on June 15, 20\_\_ through June 15, 20\_\_ (collectively, the "Premium Bonds") are issued at an Initial Offering Price that exceeds the stated redemption price at maturity by more than one-fourth of one percent (.25%) multiplied by the product of the stated redemption price at maturity and the number of complete years to the first optional redemption date of the 2012 Series Bond. The Premium Bonds are subject to optional early redemption. In calculating the Yield on the 2012 Series Bonds the Premium Bonds have been treated as redeemed at their stated redemption prices on the optional redemption date that would produce the lowest yield on the 2012 Series Bonds. The yield on the 2012 Series Bonds calculated in the manner described in this paragraph is \_\_\_\_\_%. For purposes hereof, yield has been calculated on a 360-day basis with interest compounded semi-annually.

3. Weighted Average Maturity. The weighted average maturity of the 2012 Series Bonds, determined as the sum of the products of the issue price of each maturity (and by taking into account mandatory redemptions) divided by the aggregate issue price of the 2012 Series Bonds, is \_\_\_\_\_ years. We have been advised by Bond Counsel that we may assume that the "issue price" of the obligations is the aggregate of their initial offering prices and that the methodology described in this paragraph is appropriate.

4. Underwriters' Fees. Based on our experience in similar transactions, the amount paid as Underwriters' fees or discount in connection with the sale and issuance of the 2012 Series Bonds is reasonable and customary under the circumstances.

5. Market Based Premium. The amount of the premium included in the pricing of the 2012 Series Bonds is reasonable to market efficiently the 2012 Series Bonds.

6. Reliance. The New Jersey Transportation Trust Fund Authority may rely on the foregoing certifications in making its certifications in the Tax Certificate dated the date hereof concerning the 2012 Series Bonds under the Internal Revenue Code of 1986, as amended, and Bond Counsel may rely on the foregoing certifications in rendering its opinion concerning the exclusion from federal gross income of the interest on the 2012 Series Bonds.

Very truly yours,

**BARCLAYS CAPITAL INC., on behalf  
of the Underwriters, including itself**



By: \_\_\_\_\_

EXHIBIT G

ACKNOWLEDGEMENT AND CERTIFICATION  
[NAME OF UNDERWRITER]

The New Jersey Transportation Trust Fund Authority (the "Authority") acknowledges that it has been advised by \_\_\_\_\_ ("[name]"), one of the underwriters of the Authority's \$ \_\_\_\_\_,000,000 Transportation Program Bonds, 2012 Series AA (the "2012 Series Bonds"), that that [name] has entered into an agreement (the "Distribution Agreement") with \_\_\_\_\_ ("[name]") for the retail distribution of certain municipal securities offerings, including the 2012 Series Bonds, as described in the Authority's Official Statement, dated \_\_\_\_\_, 2012 (the "Official Statement"), for the 2012 Series Bonds. The Authority has not been furnished with any documents relating to the Distribution Agreement and makes no representations of any kind with respect thereto. The Authority has not entered into any agreement, arrangement or understanding with [name] with respect to the offering and sale of the 2012 Series Bonds, nor shall this acknowledgement constitute any such agreement, arrangement or understanding. The Authority shall not be liable to [name] for any claims arising out of or [name]'s performance under the Distribution Agreement.

NEW JERSEY TRANSPORTATION TRUST  
FUND AUTHORITY

By: \_\_\_\_\_  
GARY BRUNE  
Executive Director

Dated: \_\_\_\_\_, 2012

[name] hereby acknowledges and agrees to the foregoing and represents and warrants to the Authority that the information relating to the Distribution Agreement contained in the \_\_\_\_\_ paragraph under the heading "Underwriting" in the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

[NAME]

By: \_\_\_\_\_  
Name:  
Title:

Dated: \_\_\_\_\_, 2012



NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: (See “RATINGS” herein)

\$326,255,000\*

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY  
TRANSPORTATION SYSTEM BONDS, 2012 SERIES A**

Dated: Date of Delivery

Due: As Shown on the Inside Front Cover

This Official Statement has been prepared by the New Jersey Transportation Trust Fund Authority (the “Authority”) to provide information on its \$326,255,000\* Transportation System Bonds, 2012 Series A (the “2012 Series A Bonds”).

- Tax Matters:** In the opinion of Bond Counsel, assuming compliance by the Authority with certain tax requirements described herein, under existing law, interest on the 2012 Series A Bonds is excluded from the gross income of the owners of the 2012 Series A Bonds for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and interest on the 2012 Series A Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax. In the case of certain corporate holders of the 2012 Series A Bonds, however, interest on the 2012 Series A Bonds will be included in the calculation of the federal alternative minimum tax as a result of the inclusion of interest on the 2012 Series A Bonds in “adjusted current earnings.” Under existing law, interest on the 2012 Series A Bonds and net gains from the sale of the 2012 Series A Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act. See “TAX MATTERS” herein.
- Redemption:** The 2012 Series A Bonds are subject to redemption prior to maturity, as described herein. See “DESCRIPTION OF THE 2012 SERIES A BONDS – Redemption Provisions” herein.
- Security:** The 2012 Series A Bonds are special obligations of the Authority, secured primarily by payments made by the State of New Jersey (the “State”) to the Authority under an agreement entitled: “Third Amended and Restated Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act With Respect to Transportation System Bonds” dated as of \_\_\_\_\_, 2012, (the “State Contract”), as may be amended from time to time, among the State Treasurer, the Commissioner of the New Jersey Department of Transportation and the Authority. THE OBLIGATION OF THE STATE TO MAKE PAYMENTS UNDER THE STATE CONTRACT IS SUBJECT TO AND DEPENDENT UPON APPROPRIATIONS BEING MADE FROM TIME TO TIME BY THE NEW JERSEY STATE LEGISLATURE (THE “STATE LEGISLATURE”) FOR SUCH PURPOSE. THE STATE LEGISLATURE HAS NO LEGAL OBLIGATION TO MAKE ANY SUCH APPROPRIATIONS. See “SECURITY FOR THE 2012 SERIES A BONDS” herein.
- The 2012 Series A Bonds shall not, in any way, be a debt or liability of the State or of any political subdivision thereof (other than the Authority to the limited extent set forth in the Resolution) and shall not create or constitute an indebtedness, liability or obligation of the State or of any political subdivision thereof (other than the Authority to the limited extent set forth in the Resolution) or be or constitute a pledge of the faith and credit of the State or any political subdivision thereof. The Authority has no taxing power.
- Purpose:** The 2012 Series A Bonds are being issued for the purposes of (i) paying State Transportation System Costs (as defined herein) and (ii) paying certain costs of issuance of the 2012 Series A Bonds. See “PLAN OF FINANCE” herein.
- Initial Rates and Yields:** As shown on the inside front cover.
- Interest Payment Dates:** Interest on the 2012 Series A Bonds is payable on \_\_\_\_\_ and \_\_\_\_\_, payable initially on \_\_\_\_\_, 2013.
- Denominations:** The 2012 Series A Bonds will be issued in denominations of \$5,000 or any integral multiple in excess thereof.
- Issuer Contact:** Office of Public Finance, New Jersey Department of the Treasury (609) 984-4888.
- Book-Entry-Only:** The Depository Trust Company (“DTC”), New York, New York.

The 2012 Series A Bonds are offered when, as and if delivered and subject to the receipt of the approving legal opinion of McCarter & English, LLP, Newark, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by the Attorney General of the State, General Counsel to the Authority and for the Underwriters by DeCotiis, FitzPatrick & Cole, LLP, Teaneck, New Jersey. The 2012 Series A Bonds in definitive form are expected to be available for delivery through DTC in New York, New York on or about December \_\_, 2012.

**Barclays**

\*Preliminary, subject to change

This 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 any securities offered hereby in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any jurisdiction.

\$326,255,000\*  
NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY  
TRANSPORTATION SYSTEM BONDS, 2012 SERIES A

**Maturity Schedule**

<u>Maturity Date (December 15)</u>	<u>Principal Amount<sup>1</sup></u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP<sup>2</sup></u>
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<sup>1</sup> Preliminary, subject to change.

<sup>2</sup> Registered trademark of American Bankers Association. CUSIP numbers are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the 2012 Series A Bonds and the Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2012 Series A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2012 Series A Bonds.

IN CONNECTION WITH THE OFFERING OF THE 2012 SERIES A BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2012 SERIES A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE 2012 SERIES A BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement in connection with the offering of the 2012 Series A Bonds and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any offer, solicitation or sale of the 2012 Series A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Certain information contained herein has been obtained from the State and other sources which are believed to be reliable. However, it is not guaranteed as to accuracy or completeness, and it is not to be construed as a representation of the Authority. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sales made hereunder shall, under any circumstances, create any implication that there has been no change in such information since the date thereof. The information in this Official Statement concerning DTC and DTC's book-entry system has been obtained from DTC, and the Authority takes no responsibility for the accuracy thereof. Such information has not been independently verified by the Authority and the Authority makes no representation as to the accuracy or completeness of such information.

There follows in this Official Statement certain information concerning the Authority, together with descriptions of the terms of the 2012 Series A Bonds, the principal documents related to the security for the 2012 Series A Bonds and certain applicable laws. All references herein to laws and documents are qualified in their entirety by reference to such laws, as in effect, and to each such document as such document has been or will be executed and delivered on or prior to the date of issuance of the 2012 Series A Bonds, and all references to the 2012 Series A Bonds are qualified in their entirety by reference to the definitive form thereof and the information with respect thereto contained in the Resolution (as defined herein).

The 2012 Series A Bonds have not been registered under the Securities Act of 1933, as amended, and the Resolution has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions contained in such Federal laws. In making an investment decision, investors must rely upon their own examination of the 2012 Series A Bonds and the security therefor, including an analysis of the risks involved. The 2012 Series A Bonds have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the 2012 Series A Bonds in accordance with applicable provisions of securities laws of the various jurisdictions in which the 2012 Series A Bonds have been registered, qualified or exempted cannot be regarded as a recommendation thereof. Neither such jurisdictions nor any of their agencies have passed upon the merits of the 2012 Series A Bonds or the adequacy, accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

## TABLE OF CONTENTS

	Page
INTRODUCTION .....	1
SECURITY FOR THE 2012 SERIES A BONDS .....	3
Property Pledged to the 2012 Series A Bonds; the State Contract; the Act; the Resolution .....	3
Statutory Dedication of Certain State Revenues .....	5
Constitutional Dedication of Certain State Revenues .....	6
State Appropriations .....	7
State General Taxing Power Not Pledged .....	7
Flow of Funds .....	8
Certain Covenants of the State and the Authority .....	8
No Debt Service Reserve Fund .....	9
Refunding Bonds .....	9
Transportation Program Bonds .....	9
STATUTORY DEBT ISSUANCE LIMITATIONS .....	9
Prior Bonds .....	9
Refunding Bonds .....	10
Transportation Program Bonds .....	10
TRANSPORTATION PROGRAM BONDS .....	10
PLAN OF FINANCE .....	12
ESTIMATED SOURCES AND USES OF FUNDS .....	12
DESCRIPTION OF THE 2012 SERIES A BONDS .....	13
General .....	13
Redemption Provisions .....	14
Book-Entry Only System .....	15
DEBT SERVICE SCHEDULE .....	18
DEBT SERVICE SCHEDULE – TRANSPORTATION PROGRAM BONDS .....	19
THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY .....	20
Legal Authority and Responsibilities .....	20
Membership and Officers of the Authority .....	20
Powers of the Authority .....	21
THE TRANSPORTATION SYSTEM IMPROVEMENTS .....	22
THE NEW JERSEY DEPARTMENT OF TRANSPORTATION .....	23
The State Transportation System .....	23
Organization .....	23
LITIGATION .....	25
CERTAIN LEGAL MATTERS .....	25
LEGALITY FOR INVESTMENT .....	25
TAX MATTERS .....	26
Exclusion of Interest on the 2012 Series A Bonds From Gross Income for Federal Tax Purposes .....	26
Additional Federal Income Tax Consequences .....	26
Original Issue Discount .....	27
Original Issue Premium .....	27
State Taxation .....	27
Changes in Federal Tax Law .....	27
General Matters .....	28
UNDERWRITING .....	28
RATINGS .....	28
CONTINUING DISCLOSURE AGREEMENT .....	29
MISCELLANEOUS .....	29

APPENDIX I-1 SUPPLEMENT DATED OCTOBER 15, 2012 TO APPENDIX I  
APPENDIX I FINANCIAL AND OTHER INFORMATION RELATING TO THE STATE OF NEW  
JERSEY  
APPENDIX II SUMMARY OF THE RESOLUTION  
APPENDIX III COPY OF THE THIRD AMENDED AND RESTATED STATE CONTRACT  
APPENDIX IV FORM OF THE CONTINUING DISCLOSURE AGREEMENT  
APPENDIX V FORM OF OPINION OF BOND COUNSEL



# OFFICIAL STATEMENT

relating to

**\$326,255,000\***

## **NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY TRANSPORTATION SYSTEM BONDS, 2012 SERIES A**

### INTRODUCTION

The purpose of this Official Statement (which includes the cover page, the inside cover page and the Appendices hereto) is to set forth certain information concerning the New Jersey Transportation Trust Fund Authority (the "Authority") and the Authority's \$326,255,000\* Transportation System Bonds, 2012 Series A (the "2012 Series A Bonds").

The Authority was created by the State of New Jersey (the "State") in 1984 pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984, as amended and supplemented, including by L. 2012, c. 13, constituting N.J.S.A. 27:1B-1 *et seq.* (the "Act"), to provide a stable, predictable funding mechanism for transportation system improvements undertaken by the New Jersey Department of Transportation (the "Department"). Transportation system improvements financed by the Authority include expenditures for the planning, acquisition, engineering, construction, repair, maintenance and rehabilitation of public facilities for ground, water or air transportation of people or goods. The Authority also finances State aid to counties and municipalities for transportation system improvements.

The Authority is governed by seven members, including the Commissioner of the New Jersey Department of Transportation (the "Commissioner") and the Treasurer of the State (the "State Treasurer"), both of whom serve as *ex officio* members.

The Act, among other things, provides for (i) the funding of transportation projects and (ii) the issuance of debt. For the period commencing with the Fiscal Year 2007 beginning on July 1, 2006 and ending with the Fiscal Year 2011 beginning on July 1, 2010, the Act, as amended by L. 2006, c. 3 set certain limits on the maximum amount of debt that could be issued by the Authority. The 2012 Series A Bonds in the aggregate principal amount of \$326,255,000\* will utilize substantially all of the unused portion of debt authorized to be issued pursuant to L. 2006, c. 3. See "STATUTORY DEBT ISSUANCE LIMITATIONS" herein.

The issuance of bonds, notes or other obligations, including subordinated obligations of the Authority, issued for refunding purposes is not subject to the limitations referred to in the preceding paragraph. However, the Act provides that no refunding bonds shall be issued unless the Authority shall first determine that the present value of the aggregate principal amount of and interest on the refunding bonds is less than the present value of the aggregate principal amount of and interest on the Outstanding Bonds to be refinanced, with present value computed using a discount rate equal to the yield of those refunding bonds, and yield computed using an actuarial method based upon a 360-day year with semiannual compounding and upon the prices paid to the Authority by the initial purchasers of those refunding bonds. The issuance of refunding bonds is also subject to the approval of the Joint Budget Oversight Committee (the "JBOC") of the New Jersey State Legislature (the "State Legislature"). See "STATUTORY DEBT ISSUANCE LIMITATIONS" herein.

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\*Preliminary, subject to change

The Authority is issuing the 2012 Series A Bonds for the purposes of (i) paying State Transportation System Costs (as defined herein), and (ii) paying certain costs of issuance of the 2012 Series A Bonds. See “PLAN OF FINANCE” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

The 2012 Series A Bonds are being issued pursuant to the Act and the Authority’s 1995 Transportation System Bond Resolution, adopted on June 15, 1995 (the “1995 Transportation System Bond Resolution”), as amended and supplemented, including by the Twenty-Eighth Supplemental Transportation System Bond Resolution, adopted on October 26, 2012 (the “Twenty-Eighth Supplemental Resolution”) and a series certificate of the Authority dated the date of sale of the 2012 Series A Bonds (the “Series Certificate”). The 1995 Transportation System Bond Resolution, as amended and supplemented, including by the Twenty-Eighth Supplemental Resolution and the Series Certificate, is collectively referred to herein as the “Resolution.” \_\_\_\_\_, has been appointed as trustee (the “Trustee”) and paying agent (the “Paying Agent”) for obligations issued under the Resolution, including the 2012 Series A Bonds.

The Resolution constitutes a contract between the Authority and the holders of the bonds issued and outstanding thereunder. All such bonds, including the 2012 Series A Bonds, are referred to collectively as the “Bonds.” All capitalized terms used but not defined in this Official Statement shall have the meanings given to them in the Resolution. See “APPENDIX II — SUMMARY OF THE RESOLUTION.”

The 2012 Series A Bonds are secured by the Pledged Property (as defined in the Resolution) which consists primarily of revenues received by the Authority from the State pursuant to the Act and the State Contract (defined below). The payment of all such revenues to the Authority is subject to and dependent upon appropriations being made from time to time by the State Legislature. However, the State Legislature has no legal obligation to make any such appropriations. See “SECURITY FOR THE 2012 SERIES A BONDS - Property Pledged to the 2012 Series A Bonds; the State Contract; the Act; the Resolution” herein.

After the issuance of the 2012 Series A Bonds, the Authority will have outstanding \$\_\_\_\_\_ in aggregate principal amount of its Transportation System Bonds (the “Outstanding Bonds”) issued under the Resolution. The 2012 Series A Bonds will be secured on a parity with all Bonds issued and to be issued from time to time under the Resolution.

The Act was most recently amended by L. 2012, c. 13, effective June 29, 2012 (the “2012 Legislation”). The Act, as amended by the 2012 Legislation, authorizes the issuance of bonds (bonds authorized to be issued pursuant to the 2012 Legislation are referred to therein and herein as “Transportation Program Bonds”) in the State Fiscal Years 2013 through and including 2016 up to the maximum aggregate principal amount of \$3,458,300,000. Pursuant to the 2012 Legislation, Transportation Program Bonds are payable solely from revenues dedicated pursuant to the New Jersey Constitution, including Article VIII, Section II, paragraph 4 (the “Constitutionally Dedicated Revenues”), which are also a source of payment for the Bonds. However, Transportation Program Bonds are not payable from the statutorily dedicated revenues which may be used to pay debt service on the Bonds. See “SECURITY FOR THE 2012 SERIES A BONDS – Constitutional Dedication of Certain State Revenues” and “SECURITY FOR THE 2012 SERIES A BONDS – Statutory Dedication of Certain State Revenues” herein.

To implement the new financing arrangement provided for by the 2012 Legislation, the Authority adopted its 2012 Transportation Program Bond Resolution (the “2012 Transportation Program Bond Resolution”) on October 26, 2012. The Authority’s Transportation Program Bonds, 2012 Series AA, in

the initial principal amount of \$\_\_\_\_\_ \* (the “2012 Series AA Transportation Program Bonds”), which are being offered pursuant to a separate Official Statement, are expected to be issued and delivered simultaneously with the issuance and delivery of the 2012 Series A Bonds. However, such issuance and delivery is not a condition to the issuance and delivery of the 2012 Series A Bonds. The 2012 Series AA Transportation Program Bonds, if and when issued, will be the first series of Transportation Program Bonds issued pursuant to the 2012 Legislation.

The source of payment for the 2012 Series AA Transportation Program Bonds and all future series of Transportation Program Bonds to be issued under the Transportation Program Bond Resolution is and will be the Constitutionally Dedicated Revenues, which Constitutionally Dedicated Revenues also are the primary source of payment for the Bonds. See “SECURITY FOR THE 2012 SERIES A BONDS - Constitutional Dedication of Certain Revenues,” “SECURITY FOR THE 2012 SERIES A BONDS - Statutory Dedication of Certain Revenues” and “TRANSPORTATION PROGRAM BONDS” herein.

It is anticipated that after the issuance of the 2012 Series A Bonds, no bonds will be issued under the Resolution other than Refunding Bonds, if any. Bonds issued to finance State Transportation System Costs are expected to be issued as Transportation Program Bonds under the 2012 Transportation Program Bond Resolution.

All references in this Official Statement to the Act and the Resolution are qualified in their entirety by reference to the complete text of the Act and the Resolution, copies of which are available from the Authority, and all references to the 2012 Series A Bonds are qualified in their entirety by reference to the definitive forms thereof and the provisions with respect thereto contained in the Resolution.

## **SECURITY FOR THE 2012 SERIES A BONDS**

### **Property Pledged to the 2012 Series A Bonds; the State Contract; the Act; the Resolution**

The 2012 Series A Bonds are payable and secured under the Resolution on a parity with all other Bonds issued and to be issued from time to time thereunder. All Bonds issued under the Resolution are special obligations of the Authority payable solely from the property pledged to their payment as hereinafter described. Pursuant to the Resolution, all of such property is pledged and assigned as security for the payment of the principal of and interest on the Bonds as well as (i) the Authority’s reimbursement obligations or scheduled swap payments with respect to any Financing Facility (which include Swap Agreements and reimbursement agreements for credit facilities) which it may obtain in connection with the issuance of any Series of Bonds and (ii) any Subordinated Debt which may be issued under the Resolution. Currently, there is no Subordinated Debt outstanding under the Resolution. The Resolution provides that all pledged property shall immediately become subject to the lien of said pledge without any physical delivery thereof or further act, and that such lien shall be valid and binding against all persons having claims of any kind in tort, contract or otherwise against the Authority. See “APPENDIX II — SUMMARY OF THE RESOLUTION — Pledge of Pledged Property” herein.

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\* Preliminary, subject to change.

Pursuant to the Resolution, the “Pledged Property” consists of:

(i) with respect to the Bond Payment Obligations and any applicable Financing Facility Payment Obligations: the Revenue Contracts (defined in the following paragraph), the Revenues (defined in the following paragraph) and Funds, other than the Debt Service Reserve Fund and the Rebate Fund, including Investment Securities held in any such Fund 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 Bonds in accordance with the terms and provisions of the Resolution,

(ii) with respect to any Series of Bonds in connection with which the Authority has obtained a Financing Facility, and to the extent provided in the applicable Supplemental Resolution or Series Certificate, the applicable Financing Facility and Financing Facility Revenues and all moneys from time to time held in any applicable subaccount within the Debt Service Fund, and

(iii) with respect to any Subordinated Debt, the amounts, if any, on deposit from time to time in the Subordinated Debt Fund and available for such payment.

Under the 1995 Transportation System Bond Resolution, “Revenues” means: (i) all amounts appropriated by the State Legislature and paid to the Authority by the State Treasurer from the Transportation Trust Fund Account - Subaccount for Debt Service for Prior Bonds (described below); (ii) any other amounts appropriated by the State Legislature and paid to the Authority by the State Treasurer, or received by the Authority from any other source and pledged by the Authority as security for the payment of Bonds (including the expected cash subsidy of 35% of the interest payable on each of the Authority’s Transportation System Bonds, 2009 Series B, 2010 Series B and 2010 Series C (each issued as Build America Bonds) from the United States Treasury); and (iii) interest received on any moneys or securities held pursuant to the Resolution and paid or required to be paid into the Transportation Improvement Fund (established under the Resolution). However, the term “Revenues” does not include Financing Facility Revenues, which are all amounts received by the Authority or the Trustee pursuant to any Financing Facility.

The Act, as amended by the 2012 Legislation, defines bonds issued pursuant to the authorization contained in L. 1995, c. 108 and L. 2006, c. 3, and any bonds issued to refund such bonds as “Prior Bonds.” Bonds issued and to be issued under the Resolution are Prior Bonds. In furtherance of the requirement pursuant to the 2012 Legislation that debt service on Transportation Program Bonds be paid solely from Constitutionally Dedicated Revenues, the Act, as amended by the 2012 Legislation creates two subaccounts within the Transportation Trust Fund Account (established under the Act) within the State General Fund. Such subaccounts are respectively defined as the “Transportation Trust Fund Account - Subaccount for Debt Service for Prior Bonds” and the “Transportation Trust Fund Account - Subaccount for Debt Service for Transportation Program Bonds.” Debt Service on Prior Bonds is to be paid solely from amounts on deposit in the Transportation Trust Fund Account - Subaccount for Debt Service for Prior Bonds. In accordance with the 2012 Legislation, the Twenty-Eighth Supplemental Resolution makes a technical amendment to the definition of the term “Revenues” contained in the 1995 Transportation System Bond Resolution as set forth above. Similarly, the State Contract clarifies that payments under the State Contract will be credited to the Transportation Trust Fund Account - Subaccount for Debt Service for Prior Bonds.

“Funds” constituting the Pledged Property are any Funds established pursuant to the Resolution, including any moneys or Investment Securities held therein, other than the Debt Service Reserve Fund (which currently is not funded and does not and will not secure the 2012 Series A Bonds or any other Bonds currently outstanding pursuant to the Resolution) and the Rebate Fund. “Revenue Contracts”

under the Resolution means the State Contract, the Toll Road Authority Contracts (described below) or any assignment thereof or any other agreement of the Authority of whatever nature. "Toll Road Authority Contracts" means the two contracts between the Authority and each of the New Jersey Turnpike Authority (the "Turnpike Authority") and the South Jersey Transportation Authority, the State's two toll road authorities (together, the "Toll Road Authorities"), pursuant to which amounts are payable to the State. Pursuant to the Act and the State Contract, amounts equivalent to the moneys received by the State in accordance with the Toll Road Authority Contracts are to be credited to the Transportation Trust Fund Account – Subaccount for Debt Service for Prior Bonds, provided that the amount so credited shall not be less than \$24,500,000, which payment may then be appropriated by the State to the Authority. See "APPENDIX II — SUMMARY OF THE RESOLUTION — Events of Default" herein for a description of the application of Pledged Property during an Event of Default.

Pursuant to the Act, the Authority, the State Treasurer and the Commissioner have entered into an agreement entitled "Third Amended and Restated Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act with respect to Transportation System Bonds," dated as of the date of sale of the 2012 Series A Bonds (the "State Contract"). The State Contract implements the financing and funding arrangements contemplated by the Act with respect to the Authority's Transportation System Bonds. A copy of the State Contract is attached as APPENDIX III to this Official Statement.

All payments by the State to the Authority are subject to and dependent upon appropriations being made from time to time by the State Legislature for the purposes of the Act. See APPENDIX I and APPENDIX I-1 attached hereto for a summary of certain financial and other information relating to the State. The State Legislature has always made appropriations in previous Fiscal Years in amounts sufficient to pay debt service on the Authority's Bonds and applicable Financing Facility Payment Obligations. However, the State Contract does not legally obligate the State Legislature to appropriate moneys sufficient to pay amounts when due on the 2012 Series A Bonds or otherwise due under the State Contract. Thus, although the Resolution provides for the remedy of specific performance to require the Authority to perform its covenants in the Resolution (including its covenants to enforce the terms of the State Contract), there are no remedies available to the Bondholders in the event that the State Legislature does not appropriate sufficient funds to make payments when due under the State Contract.

#### **Statutory Dedication of Certain State Revenues**

The Act, as amended by Section 5 of the 2012 Legislation, provides that during each Fiscal Year in which the Authority has Bonds outstanding, the State Treasurer shall, to the extent appropriated by the State Legislature, credit to the Transportation Trust Fund Account – Subaccount for Debt Service for Prior Bonds, a portion of the revenues derived from the following, [as determined by the Treasurer]:

(a) an amount equivalent to the revenue derived from \$0.105 per gallon from the tax imposed on the sale of motor fuels pursuant to Chapter 39 of Title 54 of the Revised Statutes (the "Motor Fuels Tax"), but not less than \$483,000,000 per year, plus

(b) an amount equivalent to moneys received by the State annually from the Toll Road Authorities pursuant to the Toll Road Authority Contracts, provided that the amount so credited shall not be less than \$24,500,000 in any Fiscal Year, plus

(c) an amount equivalent to the sums of the revenues due from the increase of fees from motor vehicle registrations collected pursuant to the amendment to R.S. 39:3-20 made by section 32 of L. 1984, c. 73 and from the increase in the tax on diesel fuels imposed pursuant to the amendment to R.S.54:39-27 made by section 35 of L. 1984, c. 73 and by L. 1987, c. 460, and as amended by section 18 of L. 1992, c.

23, and repealed by section 56 of L. 2010, c. 22 and now imposed pursuant to section 3 of L. 2010, c. 22 (C.54:39-103), but not less than \$30,000,000, plus

(d) the additional motor vehicle registration fees collected pursuant to subsection a. of section 68 of L. 1990, c. 8 (C. 17:33B-63), but not less than \$60,000,000 during any Fiscal Year, plus

(e) an amount equivalent to the revenue derived from the tax imposed on the sale of petroleum products pursuant to L. 1990, c. 42 (C. 54:15B-1 et seq.), but not less than \$200,000,000 during any Fiscal Year, plus

(f) an amount equivalent to the revenue derived from the tax imposed under the "Sales and Use Tax Act," L. 1966, c. 30 (C. 54:32B-1 et seq.) on the sale of new motor vehicles, but not less than \$200,000,000 for any Fiscal Year, plus

(g) such additional amounts as are necessary to carry out the provisions of the Act.

The Act further provides that, subject to appropriations being made from time to time by the State Legislature for the purposes of the Act, the State Treasurer shall pay to the Authority, no later than the fifth business day of the month following the month in which a credit has been made, the amounts credited to the Transportation Trust Fund Account – Subaccount for Debt Service for Prior Bonds. See "SECURITY FOR THE 2012 SERIES A BONDS— Constitutional Dedication of Certain State Revenues" below.

In accordance with the Act, the Authority, the State Treasurer and the Commissioner entered into the State Contract, which provides for the payments of these revenues to the Authority, subject to appropriations being made by the State Legislature for the purposes of the Act.

### **Constitutional Dedication of Certain State Revenues**

Senate Concurrent Resolution No. 78 of 2006, which was passed by the State General Assembly and State Senate on June 27, 2006 and approved by the voters of the State in the November 2006 general election amended Article VIII, Section II, Paragraph 4 of the New Jersey State Constitution to provide as follows:

There shall be credited to a special account in the General Fund the following:

A. for each State Fiscal Year commencing on and after July 1, 2007, an amount equivalent to the revenue derived from \$0.105 per gallon from the tax imposed on the sale of motor fuels pursuant to Chapter 39 of Title 54 of the Revised Statutes;

B. for the State Fiscal Year 2001 an amount not less than \$100,000,000 derived from the State revenues collected from the tax on the gross receipts of the sale of petroleum products imposed pursuant to L. 1990, c. 42 (C. 54:15B-1 et seq.), as amended and supplemented, or any other subsequent law of similar effect, and for each State Fiscal Year thereafter an amount not less than \$200,000,000 derived from those revenues; and

C. for the State Fiscal Year 2002 an amount not less than \$80,000,000 from the State revenue collected from the State tax imposed under the "Sales and Use Tax Act," pursuant to L. 1966, c. 30 (C. 54:32B-1 et seq.), as amended and supplemented, or any other subsequent law of similar effect, for the State Fiscal Year 2003 an amount not less than \$140,000,000 from those

revenues, and for each State Fiscal Year thereafter an amount not less than \$200,000,000 from those revenues;

provided, however, the dedication and use of such revenues as provided in this paragraph shall be subject and subordinate to (i) all appropriations of revenues from such taxes made by laws enacted on or before December 7, 2006 in accordance with Article VIII, Section II, paragraph 3 of the State Constitution in order to provide the ways and means to pay the principal and interest on bonds of the State presently outstanding or authorized to be issued under such laws or (ii) any other use of those revenues enacted into law on or before December 7, 2006.

These amounts shall be appropriated from time to time by the State Legislature, only for the purposes of paying or financing the cost of planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of the transportation system in the State and it shall not be competent for the State Legislature to borrow, appropriate or use these amounts or any part thereof for any other purpose, under any pretense whatsoever. (Article VIII, Section II, Paragraph 4 of the New Jersey State Constitution).

The above provision of the New Jersey Constitution does not require that the constitutionally dedicated amounts be appropriated to the Authority. However, pursuant to the Act and the State Contract, the State Treasurer must, subject to appropriation by the State Legislature, credit to the Transportation Trust Fund Account – Subaccount for Debt Service for Prior Bonds and pay to the Authority, an amount equivalent to a portion of the revenues derived from the dedicated amount of the Motor Fuels Tax and of the dedicated amounts of the other taxes described in clauses B and C above.

#### **State Appropriations**

Although the State Legislature has always made appropriations to the Authority in each Fiscal Year in amounts sufficient to timely pay the debt service on all of the Authority's outstanding indebtedness coming due in such Fiscal Year, the State Legislature, in several Fiscal Years, has made appropriations to the Authority which were less than the minimum amounts specified in the State Contract for such Fiscal Year.

For Fiscal Year 2013 which began on July 1, 2012, the State Legislature appropriated \$1,016,836,000 to the Transportation Trust Fund Account – Subaccount for Debt Service for Prior Bonds, which amount will be sufficient to pay the debt service on all of the outstanding indebtedness under the Resolution, including the 2012 Series A Bonds, coming due in such Fiscal Year.

There can be no assurance that, in the event the State experiences financial difficulty, or the adoption of the annual appropriations act is delayed, or for any other reason, the State Legislature will appropriate sufficient funds in the future to enable the Authority to timely pay the principal of or interest on the Outstanding Bonds of the Authority.

#### **State General Taxing Power Not Pledged**

Pursuant to the Act and the Resolution, the 2012 Series A Bonds shall be special obligations of the Authority and shall not be in any way a debt or liability of the State or any political subdivision thereof (other than the Authority to the limited extent set forth in the Resolution) and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof (other than the Authority to the limited extent set forth in the Resolution) or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof. The Authority has no taxing power. All Prior Bonds, Financing Facility Payment Obligations and other obligations of the Authority

under the Resolution, unless funded or refunded by bonds, notes or other obligations of the Authority issued under the Resolution, shall be payable solely from the Pledged Property under the Resolution.

### **Flow of Funds**

Pursuant to the Resolution, all Revenues are required to be promptly deposited by the Authority as received into the Transportation Improvement Fund. The Authority is required to pay, transfer or credit to the Trustee, for deposit in the following Funds and Accounts, on the following dates and in the following order of priority the amounts set forth below, but only to the extent the amount in the Transportation Improvement Fund shall be sufficient therefor:

(1) On or before each Payment Date with respect to each Series of Bonds:

(a) For deposit in the Debt Service Fund, the amount, if any, required so that the balance in said Fund shall equal the amounts of Debt Service on all Series of Bonds coming due on such Payment Date; and

(b) For deposit to the Debt Service Reserve Fund, the amount, if any, required so that the balance in said Fund shall equal the sum of the amounts of Debt Service Reserve Requirement on all Reserve Fund Bonds, if any, for such Payment Date. See "SECURITY FOR THE 2012 SERIES A BONDS – No Debt Service Reserve Fund" below.

(2) On or before the due dates thereof, for deposit in the Debt Service Fund, the amount of any Financing Facility Payment Obligations.

(3) On or before the due dates thereof, and subject and subordinate at all times to the payments, credits or transfers required as described in paragraphs 1 and 2 above, for deposit in the Subordinated Debt Fund, the amount of any principal, prepayment or redemption price, interest or other amounts payable in connection with any Subordinated Debt, including swap termination payments, if any.

### **Certain Covenants of the State and the Authority**

Pursuant to the Act, the State has covenanted (i) that it will not limit or alter the rights or powers of the Authority in any way that would jeopardize the interests of the holders of the bonds, notes or other obligations of the Authority, (ii) that it will not inhibit or prevent performance or fulfillment by the Authority of the terms of any agreements made with the holders of the bonds, notes or other obligations of the Authority, and that it will not prevent the Authority from (a) obtaining sufficient revenues which, together with other available funds, shall be sufficient to meet all expenses of the Authority and fulfill the terms of any agreement made with the holders of the bonds, notes or other obligations of the Authority, together with the interest thereon, interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of the holders of the bonds, notes or other obligations of the Authority, or (b) receiving payment of funds of the Toll Road Authorities or other State agencies as provided in any agreement with such Toll Road Authorities or other State agencies, until the bonds, notes or other obligations of the Authority, together with interest thereon, are fully met and discharged or provided for. However, the Act further provides that the failure of the State to appropriate moneys for any purpose of the Act shall not be deemed or construed to be a violation of these covenants.

Under the Resolution, the Authority has covenanted with the Bondholders to enforce the State Contract and not to amend the State Contract in a manner which would reduce the amounts payable to the Authority or to extend the times when such payments are to be made thereunder. The Authority has also



covenanted to pay, but solely from the Pledged Property, the Debt Service coming due on the Bonds in each year in which Bonds issued by the Authority are outstanding.

### **No Debt Service Reserve Fund**

Although the Authority may issue Bonds pursuant to the Resolution which are further secured by an Account in the Debt Service Reserve Fund established under the Resolution (“Reserve Fund Bonds”), the 2012 Series A Bonds are not Reserve Fund Bonds and there currently are no Reserve Fund Bonds Outstanding under the Resolution. However, the Authority may, in its discretion, issue one or more series of Reserve Fund Bonds in the future. If the Authority does so, any funds on deposit in the Debt Service Reserve Fund will not be security for, and will not be available to pay debt service on, the 2012 Series A Bonds.

### **Refunding Bonds**

One or more series of Refunding Bonds may be issued at any time to refund any or all Outstanding Bonds. Such Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the Funds and Accounts under the Resolution required by the provisions of the Supplemental Resolution authorizing such Refunding Bonds. The Act provides that no Refunding Bonds shall be issued unless the Authority shall first determine that the present value of the aggregate principal of and interest on the refunding bonds is less than the present value of the aggregate principal of and interest on the outstanding bonds to be refinanced, with present value to be computed using a discount rate equal to the yield of those Refunding Bonds, and yield shall be computed using an actuarial method based upon a 360-day year with semiannual compounding and upon the prices paid to the Authority by the initial purchasers of those Refunding Bonds. (See “APPENDIX II — SUMMARY OF THE RESOLUTION — Refunding Bonds”). Any decision by the Authority to issue refunding bonds must be approved by JBOC.

### **Transportation Program Bonds**

The 2012 Legislation authorizes the issuance of Transportation Program Bonds. Although the 2012 Series AA Transportation Program Bonds and all future series of Transportation Program Bonds to be issued under the Transportation Program Bond Resolution will not be issued under the Resolution, the source of payment for all such Transportation Program Bonds is and will be the Constitutionally Dedicated Revenues, which Constitutionally Dedicated Revenues are also the primary source of payment for the Bonds. See “SECURITY FOR THE 2012 SERIES A BONDS – Constitutional Dedication of Certain State Revenues,” “SECURITY FOR THE 2012 SERIES A BONDS – Statutory Dedication of Certain State Revenues” and “TRANSPORTATION PROGRAM BONDS” herein.

## **STATUTORY DEBT ISSUANCE LIMITATIONS**

### **Prior Bonds**

For the period commencing with the Fiscal Year 2007 beginning on July 1, 2006 and ending with the Fiscal Year 2011 beginning on July 1, 2010, the Act, as amended by L. 2006, c. 3, provides that up to an aggregate principal amount of \$1,600,000,000 of debt may be issued in any Fiscal Year, but that such amount shall be reduced in each of those Fiscal Years by the amount by which the appropriation of State funds to the Transportation Trust Fund Account (as defined herein) for that Fiscal Year exceeds \$895,000,000. However, if a portion of that permitted amount of debt, less any reduction as provided above, is not incurred in a Fiscal Year, an amount not greater than the unused portion may be incurred in a subsequent Fiscal Year in addition to the amount otherwise permitted.

After the issuance of the 2012 Series A Bonds, there will be no remaining unused statutory debt cap for Prior Bonds. Accordingly, under current law, only refunding bonds may be issued under the Resolution following the issuance of the 2012 Series A Bonds. See "STATUTORY DEBT ISSUANCE LIMITATIONS - Refunding Bonds" below).

### **Refunding Bonds**

The issuance of bonds, notes or other obligations, including subordinated obligations of the Authority under the Resolution, issued for refunding purposes is not subject to the limitations described in the preceding paragraphs. However, the Act provides that no refunding bonds shall be issued unless the Authority shall first determine that the present value of the aggregate principal amount of and interest on the refunding bonds is less than the present value of the aggregate principal amount of and interest on the Outstanding Bonds to be refinanced, with present value computed using a discount rate equal to the yield of those refunding bonds, and yield computed using an actuarial method based upon a 360-day year with semiannual compounding and upon the prices paid to the Authority by the initial purchasers of those refunding bonds. The Act further provides that upon the decision by the Authority to issue refunding bonds, and prior to the sale of those refunding bonds, the Authority shall transmit to JBOC a report that a decision has been made, reciting the basis on which the decision was made, including an estimate of the debt service savings to be achieved and the calculations upon which the Authority relied when making the decision to issue refunding bonds. The report shall also disclose the intent of the Authority to issue and sell the refunding bonds at public or private sale and the reasons therefor.

### **Transportation Program Bonds**

The Act, as amended by the 2012 Legislation, authorizes the issuance of Transportation Program Bonds, in the State Fiscal Years 2013 through and including 2016 up to the maximum aggregate principal amount of \$3,458,300,000. See "TRANSPORTATION PROGRAM BONDS" herein.

## **TRANSPORTATION PROGRAM BONDS**

The Act, as amended by the 2012 Legislation, authorizes the issuance of Transportation Program Bonds in each of the State Fiscal Years 2013 through and including 2016 up to the maximum aggregate principal amounts set forth below:

Fiscal Year (July 1 to June 30)	Maximum Aggregate Principal Amount of Transportation Program Bonds Authorized to be Issued
2013	\$1,247,000,000
2014	849,200,000
2015	735,300,000
2016	626,800,000
Total	\$3,458,300,000

The 2012 Legislation provides that (1) if the permitted amount of Transportation Program Bonds, or any portion thereof, is not incurred in a Fiscal Year, it may be issued in a subsequent Fiscal Year and (2) thirty percent (30%) of the permitted amount of Transportation Program Bonds for a Fiscal Year may be issued in the Fiscal Year preceding such Fiscal Year provided that (a) any Transportation Program Bonds issued in the Fiscal Year preceding such Fiscal Year, shall be deducted from the authorization for the Fiscal Year from which it was taken, and (b) the proceeds of any such Transportation Program Bonds shall not be encumbered until the Fiscal Year from which the deduction of the authorization was taken.

The issuance of Transportation Program Bonds for refunding purposes is not subject to the limitations described in the preceding paragraph. However, the issuance of Transportation Program Bonds for refunding purposes is subject to the same conditions as apply to the issuance of Refunding Bonds under the Resolution, which conditions are described herein under the heading "STATUTORY DEBT ISSUANCE LIMITATIONS – Refunding Bonds."

The 2012 Legislation further provides that the payment of debt service on Transportation Program Bonds and any agreements issued in connection with such transportation program bonds shall be paid solely from Constitutionally Dedicated Revenues deposited into the Transportation Trust Fund Account – Subaccount for Debt Service for Transportation Program Bonds established pursuant to the 2012 Legislation.

To implement the provisions of the 2012 Legislation, the Authority adopted the 2012 Transportation Program Bond Resolution. In addition, prior to the issuance of the first series of Transportation Program Bonds under the Transportation Program Bond Resolution (as defined below), the Treasurer, the Commissioner and the Authority will have entered into a Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act with respect to Transportation Program Bonds.

The Authority's Transportation Program Bonds, 2012 Series AA, in the estimated principal amount of \$\_\_\_\_\_ which are being offered pursuant to a separate Official Statement, are expected to be issued and delivered simultaneously with the issuance and delivery of the 2012 Series A Bonds, but such issuance and delivery is not a condition to the issuance and delivery of the 2012 Series A Bonds. The 2012 Series AA Transportation Program Bonds, if and when issued, will be the first series of Transportation Program Bonds issued pursuant to the Act, as amended by the 2012 Legislation, and pursuant to the 2012 Transportation Program Bond Resolution, as amended and supplemented by the Authority's First Supplemental Transportation Program Bond Resolution adopted on October 26, 2012 and by a series certificate of the Authority to be dated as of the date of sale of the 2012 Series AA Transportation Program Bonds.

For Fiscal Year 2013 which began on July 1, 2012, the State Legislature appropriated \$77,700,000 to the Transportation Trust Fund Account – Subaccount for Debt Service for Transportation Program Bonds, which amount will be sufficient to pay the debt service on the 2012 Series AA Bonds coming due in such Fiscal Year.

It is anticipated that after the issuance of the 2012 Series A Bonds, no bonds will be issued under the Resolution other than Refunding Bonds, if any. Bonds issued to finance State Transportation System Costs are expected to be issued as Transportation Program Bonds under the 2012 Transportation Program Bond Resolution.

## PLAN OF FINANCE

The 2012 Series A Bonds are being issued for the purpose of (i) paying State Transportation System Costs (as defined herein) and (ii) paying certain costs of issuance of the 2012 Series A Bonds. A portion of the proceeds of the 2012 Series A Bonds will be deposited into the Transportation Improvement Fund established under the Resolution and applied to the payment of State Transportation System Costs. See “THE TRANSPORTATION SYSTEM IMPROVEMENTS” herein for a description of Transportation System Improvements.

### ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the issuance of the 2012 Series A Bonds are expected to be as set forth below:

#### SOURCES OF FUNDS

Par Amount of 2012 Series A Bonds  
Net Original Issue [Premium] [Discount]  
Total Sources of Funds

#### USES OF FUNDS

Transportation Improvement Fund Deposit  
Costs of Issuance <sup>1</sup>  
Underwriters' Discount  
Total Uses of Funds

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<sup>1</sup> Includes bond ratings, printing, legal and Trustee's fees and other expenses relating to the issuance and sale of the 2012 Series A Bonds.

## DESCRIPTION OF THE 2012 SERIES A BONDS

### General

The Resolution, the State Contract and all provisions thereof are incorporated by reference in the text of the 2012 Series A Bonds. Copies of the Resolution, including the full text of the form of the 2012 Series A Bonds, and the State Contract are on file at the principal corporate trust office of the Trustee and are available there for inspection and copying. The following is a summary of certain provisions of the 2012 Series A Bonds and is qualified by reference thereto.

The 2012 Series A Bonds are to be dated and bear interest from the date of delivery and will mature on the dates and in the principal amounts set forth on the inside front cover hereof. So long as The Depository Trust Company, New York, New York (“DTC”), or its nominee is the registered owner of the 2012 Series A Bonds, payments of the principal of and interest on the 2012 Series A Bonds will be made by the Paying Agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC Participants, which will in turn remit such payments to the beneficial owners of the 2012 Series A Bonds. See “Book-Entry Only System” herein.

The 2012 Series A Bonds will be issued in fully registered book-entry-only form, without certificates. One certificate shall be issued for the aggregate principal amount of 2012 Series A Bonds for each interest rate within a stated maturity, and when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as Securities Depository for the 2012 Series A Bonds. The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the 2012 Series A Bonds on behalf of the individual purchasers. Individual purchases may be made in denominations of \$5,000, or any integral multiple thereof, through book entries made on the books and the records of DTC and its participants. Individual purchasers of the 2012 Series A Bonds will not receive certificates representing their beneficial ownership interests in the 2012 Series A Bonds, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the 2012 Series A Bonds purchased. In the event the 2012 Series A Bonds are no longer subject to the DTC Book-Entry Only System, the principal or Redemption Price of 2012 Series A Bonds will be payable upon surrender of the respective 2012 Series A Bonds at a designated corporate trust office of the Paying Agent. See “DESCRIPTION OF THE 2012 SERIES A BONDS- Book-Entry Only System” herein.

The 2012 Series A Bonds will be dated their date of delivery, will be issued in denominations of \$5,000 or any integral multiple thereof (an “Authorized Denomination”) and will bear interest at the rates shown on the inside cover of this Official Statement, payable initially on June 15, 2013 and semiannually thereafter on December 15 and June 15 in each year, until maturity or prior redemption. Interest will be payable by the Trustee to those registered owners of the applicable 2012 Series A Bonds whose names appear on the bond register as of the fifteenth (15th) day next preceding each June 15 and December 15 (the “Record Date”). Interest on the 2012 Series A Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months.

**Redemption Provisions**

Optional Redemption. The 2012 Series A Bonds maturing on or after June 15, 202\_\_ are subject to optional redemption prior to maturity at the option of the Authority, at any time on or after June 15, 202\_\_, either in whole or in part, from maturities selected by the Authority at a Redemption Price equal to 100% of the principal amount of the 2012 Series A Bonds being redeemed, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption. The 2012 Series A Bonds maturing on June 15, 20\_\_ and June 15, 20\_\_ are subject to mandatory sinking fund redemption prior to maturity, in part, on June 15 in each of the years and in the respective principal amounts set forth below, at a Redemption Price equal to 100% of the principal amount being redeemed, plus accrued interest, if any, to the date of redemption, from mandatory Sinking Fund Installments:

<u>[Year]</u>	<u>Principal Amount</u>
<u>(June 15)</u>	

\*Final Maturity

The 2012 Series A Bonds may be purchased by the Authority to satisfy the above Sinking Fund Installments from amounts on deposit in the Debt Service Fund or from other available funds of the Authority. Unless the Trustee is otherwise directed in writing by the Authority, the 2012 Series A Bonds so purchased shall be credited toward each Sinking Fund Installment thereafter to become due in an amount bearing the same ratio to each such Sinking Fund Installment as the total principal amount of all the 2012 Series A Bonds so purchased bears to the total amount of all such Sinking Fund Installments to be so credited.

Selection of Bonds to be Redeemed. If the 2012 Series A Bonds are registered in book-entry only form and so long as DTC, or a successor securities depository, is the sole registered owner of the 2012 Series A Bonds and if less than all of the 2012 Series A Bonds of a maturity are called for prior redemption, the particular 2012 Series A Bonds or portions thereof to be redeemed shall be selected on a pro rata basis in accordance with DTC procedures.

If the 2012 Series A Bonds are not registered in book-entry only form, any redemption of less than all of a maturity of the 2012 Series A Bonds shall be effected by the Trustee among owners on a pro-rata basis subject to minimum Authorized Denominations.

Notice of Redemption. When the Trustee shall receive notice from the Authority of its election or direction to redeem the 2012 Series A Bonds, and when redemption of the 2012 Series A Bonds is

authorized or required pursuant to the Resolution, the Trustee shall give notice, in the name of the Authority, of the redemption of such 2012 Series A Bonds, which notice shall specify the maturities of the 2012 Series A Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the 2012 Series A Bonds of the same maturity are to be redeemed, the letters and numbers or other distinguishing marks of such 2012 Series A Bonds so to be redeemed, and, in the case of 2012 Series A Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on the redemption date there shall become due and payable upon each 2012 Series A Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of 2012 Series A Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice 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 2012 Series A Bonds or portions of 2012 Series A Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry books. Such notice shall also be given by publication once a week for at least two (2) successive weeks in any Authorized Newspaper, the first such publication to be made not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. Failure of the registered owner of any 2012 Series A Bonds which are to be redeemed to receive any such notice, or failure of the Authority to publish notice of redemption as provided in the immediately preceding sentence, shall not affect the validity of the proceedings for the redemption of 2012 Series A Bonds.

So long as DTC is acting as securities depository for the 2012 Series A Bonds, all notices of redemption required to be given to the registered owners of the 2012 Series A Bonds will be given to DTC.

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

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. However, the Authority takes no responsibility for the accuracy thereof, and neither the DTC Participants nor the Beneficial Owners (as defined below) should rely on the following information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

General. Ownership interests in the 2012 Series A Bonds will be available to purchasers only through a book-entry system (the "Book-Entry System") maintained by DTC, New York, New York, which will act as securities depository for the 2012 Series A Bonds. The 2012 Series A Bonds 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. Initially, one fully registered Bond certificate will be issued for each maturity of the 2012 Series A Bonds, in the aggregate principal amount of such maturity of the 2012 Series A Bonds, and will be deposited with DTC. The following discussion will not apply to any 2012 Series A Bonds issued in certificate form due to the discontinuance of DTC's Book-Entry System, as described below.

DTC and its Participants. DTC, the world's largest 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 asset 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 the post-trade settlement among Direct Participants

of sales and other securities transactions in deposited securities, 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 is rated AA+ by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

*Purchase of Ownership Interests.* Purchases of 2012 Series A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2012 Series A Bonds on DTC's records. The ownership interest of each actual purchaser of a 2012 Series A Bond ("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. Beneficial Owners, are however, expected to receive written confirmations providing details of the transactions, 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 2012 Series A Bonds 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 2012 Series A Bonds, except in the event that use of the book-entry system for the 2012 Series A Bonds is discontinued.

*Transfers.* To facilitate subsequent transfers, all 2012 Series A Bonds 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 2012 Series A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2012 Series A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2012 Series A Bonds 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.

*Notices.* 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. Beneficial Owners of 2012 Series A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2012 Series A Bonds, such as redemptions, defaults, and proposed amendments to the documents relating to the 2012 Series A Bonds. For example, Beneficial Owners of 2012 Series A Bonds may wish to ascertain that the nominee holding the 2012 Series A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

*Voting.* Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2012 Series A Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority 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 2012 Series A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

*Payments of Principal and Interest.* Principal and interest payments on the 2012 Series A Bonds 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 Trustee on the 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 accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (or its nominee), the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of the principal and interest on the 2012 Series A Bonds 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 Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

*Discontinuation of Book-Entry System.* DTC may discontinue providing its services as securities depository with respect to the 2012 Series A Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates for the 2012 Series A Bonds are required to be printed and delivered. The use of the system of book-entry transfers through DTC (or a successor depository) may be discontinued as described in the Resolution. In that event, Bond certificates for the 2012 Series A Bonds 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 the Authority takes no responsibility for the accuracy thereof.

THE AUTHORITY AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO THE DIRECT PARTICIPANTS OR THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE 2012 SERIES A BONDS (I) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE 2012 SERIES A BONDS, (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTEREST IN 2012 SERIES A BONDS OR (III) NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE HOLDER OF THE 2012 SERIES A BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT ON THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANTS, ANY PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE 2012 SERIES A BONDS UNDER OR THROUGH DTC OR ANY DIRECT PARTICIPANT, OR ANY OTHER PERSON WHICH IS NOT SHOWN ON THE REGISTRATION BOOKS OF THE AUTHORITY KEPT BY THE TRUSTEE AS BEING A BONDHOLDER. THE AUTHORITY AND THE TRUSTEE SHALL HAVE NO RESPONSIBILITY WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, CEDE & CO., ANY DTC PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE 2012 SERIES A BONDS UNDER THE RESOLUTION; (III) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE WITH RESPECT TO THE 2012 SERIES A BONDS; (IV) ANY CONSENT GIVEN

OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF 2012 SERIES A BONDS; OR (V) ANY OTHER MATTER.

SO LONG AS CEDE & CO. IS THE HOLDER OF THE 2012 SERIES A BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BOND OWNERS OR HOLDERS OF THE 2012 SERIES A BONDS, OTHER THAN UNDER THE CAPTION "TAX MATTERS," SHALL MEAN CEDE & CO. OR DTC AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2012 SERIES A BONDS.

#### DEBT SERVICE SCHEDULE

The following table sets forth the debt service requirements for the Bonds Outstanding under the Resolution in each Fiscal Year.

**Error! Bookmark not defined.**

<u>Fiscal Year</u>	<u>Prior Gross Debt Service</u>	<u>2012 Series A Bonds Debt Service</u>	<u>Total Gross Debt Service</u> <sup>*</sup>
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\* Totals are not adjusted for Federal Cash subsidy for Build America Bonds.

## DEBT SERVICE SCHEDULE – TRANSPORTATION PROGRAM BONDS

The following table sets forth the debt service requirements for the 2012 Series AA Bonds to be issued under the 2012 Transportation Program Bond Resolution in each Fiscal Year.

<b><u>Fiscal</u></b> <b><u>Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total Debt</u></b> <b><u>Service</u></b>
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## THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

### Legal Authority and Responsibilities

The Authority is a public body corporate and politic, with corporate succession, constituted as an instrumentality of the State organized and existing under and pursuant to the Act. For the purpose of complying with Article V, Section IV, Paragraph 1 of the State Constitution, the Authority is allocated within, but is independent of any supervision or control by, the Department. The purpose of the Authority is to provide the payment for and financing of all or a portion of the costs incurred by the Department for the planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of the State's transportation system, including, without limitation, (i) the State's share (which may include State advances with respect to any Federal share) under Federal aid highway laws of the costs of planning, acquisition, engineering, construction, reconstruction, repair, resurfacing and rehabilitation of public highways, (ii) the State's share (which may include State advances with respect to any Federal share) of the costs of planning, acquisition, engineering, construction, reconstruction, repair, permitted maintenance and rehabilitation of public transportation projects and other transportation projects in the State, and (iii) State aid to counties and municipalities for transportation projects (collectively, the "State Transportation System Costs").

Under the Act, the Commissioner is also authorized to enter into agreements with public or private entities for the loan of federal funds appropriated to the Department for the purpose of financing all, or a portion of, the costs incurred for the planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of a transportation project by that public or private entity.

Pursuant to the Act, the Commissioner may from time to time (but not more frequently than monthly) certify to the Authority an amount necessary to fund payments made, or anticipated to be made, by or on behalf of the Department from legislative appropriations to the Department of Authority funds. Under the Act, the Authority is obligated to provide such amount from its revenues or other funds, including proceeds of Bonds. The Act directs the Authority, within 15 days of receipt of the Commissioner's certificate, to transfer funds to the State Treasurer for deposit in a special fund maintained by the State Treasurer (the "Special Transportation Fund") in an amount equal to the amount so certified by the Commissioner. Expenditures from the Special Transportation Fund may be made on behalf of the Department only pursuant to project-specific legislative appropriations. The Department currently provides such certificates on a monthly basis, when cash is necessary for disbursements for transportation system improvements, to attempt to minimize the amounts maintained in the Special Transportation Fund. The Special Transportation Fund is not pledged as security for obligations issued by the Authority under the Resolution.

### Membership and Officers of the Authority

The Act provides that the Authority shall consist of seven members as follows: the Commissioner and the State Treasurer, who are members ex-officio, and five public members. Three of the public members are appointed by the Governor, with the advice and consent of the State Senate, one of whom must represent the interests of trade unions that work on the construction of public highways and another of whom must represent the interests of owners of firms that are eligible to submit bids for the construction of public highways. The two remaining public members also are appointed by the Governor, one upon the recommendation of the President of the State Senate and the other upon the recommendation of the Speaker of the State General Assembly. The public members serve a four-year term; provided, however, that the public member appointed by the Governor upon recommendation of the Speaker of the State General Assembly serves a two-year term. Each public member holds office for the term of the member's appointment and until a successor has been appointed and qualified. A member shall be

eligible for reappointment. No more than four members of the Authority may be of the same political party. All members of the Authority serve without compensation but may be reimbursed for their actual expenses necessarily incurred in the discharge of their official duties.

The Act provides that the Commissioner shall serve as Chairperson of the Authority and that the members of the Authority annually shall elect one of their members as Vice Chairperson. The members of the Authority also elect a secretary and a treasurer who need not be members of the Authority, and the same person may be elected to serve as both secretary and treasurer.

The present members of the Authority are:

James S. Simpson: ex-officio, Chairperson; Commissioner of the New Jersey Department of Transportation.

Andrew P. Sidamon-Eristoff: ex-officio; Treasurer of the State of New Jersey.

Greg Laveee, Vice Chairman, Statutory Representative of Interest of Trade Unions; Public Member

Robert A. Briant, Jr.: Chief Executive Officer of the Utility and Transportation Contractors Association; Public Member.

Nelson Ferreira: President & Chief Executive Officer of Ferreira Construction Company, Inc., Statutory Representative of a Transportation Firm; Public Member.

Joseph Ripa: Camden County Clerk, Camden, New Jersey; Retired, President, ATU880, Public Member.

There is currently one vacancy among the Public Members of the Authority.

The officers of the Authority are:

Gary Brune: Executive Director; Chief Financial Officer, New Jersey Department of Transportation.

Steven Petrecca: Treasurer; Assistant State Treasurer, New Jersey Department of the Treasury.

Judith Sigle, Tax Compliance Officer and Comptroller, Director of Accounting and Auditing, New Jersey Department of Transportation

Linda Davino: Secretary; New Jersey Department of Transportation.

### **Powers of the Authority**

Under the terms of the Act, the powers of the Authority are vested in the members thereof in office and four members of the Authority shall constitute a quorum at any meeting thereof. No vacancy in the membership of the Authority shall impair the right of a quorum of the members to exercise all the powers and perform all the duties of the Authority. Action may be taken and motions adopted by the Authority at any meeting thereof by the affirmative vote of at least four members of the Authority. No action taken by the Authority at any meeting shall have force or effect until fifteen days after a true copy of the minutes of such meeting has been delivered by and under the certification of the secretary of the

Authority to the Governor of the State, unless during such fifteen day period the Governor (i) vetoes such action, in which case such action shall not become effective, or (ii) approves in writing the same or any part thereof, in which case the action becomes effective upon such approval.

In addition to the power to enter into the contracts with the State described under the heading “SECURITY FOR THE 2012 SERIES A BONDS— Property Pledged to the 2012 Series A Bonds; the State Contract; the Act; the Resolution” herein, the Authority has (among others) the following powers:

- i. to borrow money and issue its bonds, notes and other obligations and to secure the same by its revenues and other funds and to otherwise provide for and secure the payment thereof, and to provide for the refunding thereof;
- ii. to issue subordinated indebtedness and to enter into revolving credit agreements, lines of credit, letters of credit, reimbursement agreements, interest rate exchange agreements, insurance contracts, surety bonds, bond purchase agreements and other security agreements;
- iii. subject to any agreements with holders of its bonds, notes or other obligations, to invest any moneys not required for immediate use, including proceeds from the sale of bonds, notes or other obligations, at the discretion of the Authority, in such obligations, securities and other investments as the Authority shall deem prudent;
- iv. in its own name, or in the name of the State or, in the name of New Jersey Transit Corporation (“NJ Transit”), to apply for and receive and accept appropriations or grants of property, money, services or reimbursements for money previously spent and other assistance made available to it by or from any person, government agency, public authority or any public or private entity whatever for any lawful corporate purpose of the Authority;
- v. subject to any agreement with holders of its bonds, notes or other obligations, to purchase bonds, notes or other obligations of the Authority out of any funds or moneys of the Authority available therefor, and to hold, cancel or reissue the bonds, notes or other obligations; and
- vi. to acquire, lease as lessee or lessor, hold and dispose of real and personal property or any interest therein in the exercise of its powers and the performance of its duties under the Act.

No resolution or other action of the Authority providing for the issuance of the bonds, refunding bonds or other obligations shall be adopted by the Authority, or otherwise made effective, without prior written approval of the Governor and the State Treasurer. Any decision by the Authority to issue refunding bonds must be approved by JBOC.

### **THE TRANSPORTATION SYSTEM IMPROVEMENTS**

The transportation system (which includes but is not limited to highways, roads, bridges, public transit facilities, pedestrian and bicycle trails, railroad rights-of-way, airports and intermodal facilities) of the State is among the most heavily used in the United States. The Department is implementing transportation system improvements which are expected to enable the State to construct, modernize, reconstruct, rehabilitate and maintain a safe, balanced, sound and efficient transportation system

necessary for the well being of the State's citizens. The State's commitment to the payment for and the financing of the transportation system improvements in a stable fashion is intended to ensure a predictable and continuing public investment in the State's transportation system.

Pursuant to the Act, the transportation system improvements encompass the planning, acquisition, engineering, construction, reconstruction, repair, capital maintenance assistance, maintenance, operations, resurfacing and rehabilitation and improvement of, and acquisition of easements and rights-of-way with respect to, the transportation system, and any equipment, facility or property useful and related to the provision of any ground, waterborne or air transportation for the movement of people and goods. The transportation system improvements also include State aid to counties and municipalities for local transportation system improvements.

Improvements undertaken by the Department are to be funded primarily by a combination of Federal moneys, State general obligation bond proceeds and Authority funds. Pursuant to legislative directive, the Authority is responsible for funding that portion of the State's share of these improvements which are not provided by other sources. Pursuant to the Act, the Authority is required to minimize debt incurrence by first relying on appropriations and other revenues available to the Authority before incurring debt to meet its statutory purposes.

## **THE NEW JERSEY DEPARTMENT OF TRANSPORTATION**

### **The State Transportation System**

New Jersey's transportation system consists of 13,059 lane miles of state highways maintained by the Department and approximately 35,600 center line miles maintained by independent state toll road authorities, county governments, and municipal governments. Approximately 6,900 bridges are located throughout the State, of which 2,388 are owned by the Department, 761 are owned by NJ Transit, 1,008 are owned by the Turnpike Authority, and the remainder are owned by other private and public entities.

The State transportation system also consists of commuter rail, light rail, and bus lines in the State, which are principally operated by NJ Transit. NJ Transit is the nation's third largest provider and the only statewide provider of bus and commuter rail service connecting points in New Jersey, New York and Philadelphia. NJ Transit provides the region with over 263 million passenger trips annually. NJ Transit operates approximately 700 daily revenue trains on 11 rail lines over 1,000 route miles of track serving 163 stations, and over 2,200 buses over 261 routes. NJ Transit also operates three light rail lines: the 5.3 mile Newark City Subway, the Hudson Bergen Light Rail providing service from 21st Street in Bayonne to Lincoln Harbor in Weehawken with an extension to West Side Avenue in Jersey City, and the 34 mile River LINE connecting Trenton and Camden.

NJ Transit provides connections to other transit systems. At New York's Penn Station, connections are available to Amtrak, the Long Island Railroad and the New York City subway. At Trenton, riders can transfer to Southeastern Pennsylvania Transportation Authority ("SEPTA") and Amtrak trains. Hoboken Terminal and Newark Penn Station are transfer points to the Port Authority Trans-Hudson ("PATH") trains to Jersey City and New York City. At Lindenwold in Camden County, the Atlantic City Rail Line operated by NJ Transit connects with New Jersey-Pennsylvania Port Authority Transportation Company ("PATCO") rapid transit services to Camden and Philadelphia and with Amtrak trains.

## Organization

The State has an integrated approach to all transportation problems. The Department's responsibilities have steadily changed since its establishment in 1966, with emphasis shifting from primarily highway-related programs to a balanced concern for highways and the preservation and improvement of rail and bus transportation. The Department is responsible for the maintenance and improvement of all State highways and bridges, the provision of assistance to counties and municipalities and the overall planning and coordination of the State's transportation system. The Department also reviews the operations of NJ Transit. Although NJ Transit is self-regulating as to fares and levels of service which it operates or supports, with the exception of interstate bus service, the Department retains certain regulatory control over safety and maintenance. The Department's mission is to provide for the movement of people and goods with a commitment to safety, excellence, efficiency, the environment and its customers-the citizens of New Jersey.

The Department is headed by a Commissioner appointed by and directly responsible to the Governor for fulfilling the purposes and supervising the activities of the Department. The Commissioner is responsible for all policies and directives of the Department and serves as Chairperson of the Authority and of NJ Transit. A Deputy Commissioner, a Chief of Staff, six Assistant Commissioners and one Executive Director assist the Commissioner in managing the Department.

The Deputy Commissioner is responsible for the day-to-day operations of the Department, enabling the Commissioner to better balance his or her time in his or her roles as Chief Executive Officer of the Department, Chairperson of the Authority and of NJ Transit, and an ex-officio member of each of the State transportation authorities.

The Chief Financial Officer, who is an Assistant Commissioner, provides general oversight of the Department's financial affairs, ensures that financial transactions are in compliance with State and Federal regulations, and implements sound financial management principles. The Chief Financial Officer oversees the preparation of the Department's annual budget and the development of the budget implementation and initiative action plans. In addition, the Chief Financial Officer acts as Executive Director of the Authority.

The Assistant Commissioner for Administration supervises the operation and maintenance of the Department's physical plant facilities, human resource management, employee safety, information systems, training and development, civil rights and affirmative action programs.

The Assistant Commissioner for Government and Community Relations is responsible for legislative relations and customer advocacy.

The Assistant Commissioner for Capital Investment, Planning and Grant Administration assesses current and future conditions, demands and opportunities to improve transportation facilities and services. Transportation facility planning spans all modes of transportation including the State's public use airports, rail freight infrastructure, and the maritime industry. The Assistant Commissioner also administers State and Federal aid programs related to municipal and county governments and operates a research and technology effort that investigates and demonstrates new transportation technologies. In addition, the Assistant Commissioner develops a Statewide Transportation Capital Investment Strategy, the Annual Capital Program, the Statewide Transportation Improvement Program ("STIP"), and the Study and Development Program. Part of this responsibility involves the development and implementation of an asset management program to optimize investment in the State's existing transportation infrastructure. To effectively prepare and deliver capital projects, the Assistant Commissioner is involved with the various stages of work from preliminary engineering to final construction.



The Assistant Commissioner for Operations is responsible for maintenance and operation of the State highway system. This Assistant Commissioner oversees maintenance of the roadways, bridges, rights-of-way, signs, drawbridges, traffic signals, and highway lighting and is responsible for maintaining the equipment fleet and regional maintenance yards. This Assistant Commissioner is also responsible for safe operation of the State highway system, including snow and ice removal, traffic engineering, operation of the traffic operations centers, emergency patrols, and intelligent transportation systems.

The Executive Director for Statewide Traffic Operations is responsible for coordinating the operation of traffic operations centers and incident management services provided by the Department and the State's independent toll road authorities. The purpose of this office is to ensure that the daily management of traffic congestion and traffic incidents in the State is coordinated on a statewide level.

NJ Transit maintains its own financial management and accounting systems, in accordance with its statutory powers and in conformity with general State practices and Federal requirements. As a general practice, NJ Transit draws funds appropriated by the State on a periodic basis and administers its own investments and disbursements. NJ Transit's finances are audited annually by an independent auditor and are reported to the State Legislature.

## **LITIGATION**

There is no litigation of any nature now pending, or, to the knowledge of the Authority, threatened, restraining or enjoining the issuance, sale, execution or delivery of the 2012 Series A Bonds, or the contemplated uses of the proceeds of the 2012 Series A Bonds, or in any way contesting or affecting the validity of the 2012 Series A Bonds, the State Contract, the Act or any proceedings of the Authority or the State taken with respect to the issuance, sale, execution or delivery thereof, or the pledge or application of any moneys or security provided for the payment of the 2012 Series A Bonds or the existence or powers of the Authority or the State Contract or the title of any officers or members of the Authority to their respective positions.

## **CERTAIN LEGAL MATTERS**

Legal matters related to the authorization, execution, issuance and delivery of the 2012 Series A Bonds are subject to the approval of McCarter & English, LLP, Newark, New Jersey, Bond Counsel. The opinion of Bond Counsel will be delivered with the 2012 Series A Bonds in substantially the form included in this Official Statement as Appendix V. Certain legal matters in connection with the 2012 Series A Bonds will be passed upon for the Authority by the Attorney General of the State, and for the Underwriters by their counsel, DeCotiis, FitzPatrick & Cole, LLP, Teaneck, New Jersey.

## **LEGALITY FOR INVESTMENT**

The Act provides that the State and all public officers, governmental units and agencies thereof, all banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds or notes issued pursuant to the Act, and the bonds or notes shall be authorized security for any and all public deposits.

## **TAX MATTERS**

### **Exclusion of Interest on the 2012 Series A Bonds From Gross Income for Federal Tax Purposes**

The 2012 Series A Bonds are treated for federal tax purposes as part of a single issue with the 2012 Series AA Transportation Program Bonds (collectively, the “2012 Bonds”). The Internal Revenue Code of 1986, as amended (the “Code”) imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the 2012 Bonds in order to assure that interest on the 2012 Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Authority to comply with such requirements may cause interest on the 2012 Bonds to be included in gross income for federal income tax purposes, retroactive to the date of issuance of the 2012 Bonds. The Authority will make representations in the Tax Certificate, which will be executed on the date of issuance of the 2012 Bonds, as to various tax requirements. The Authority, in executing the Tax Certificate, will represent that the Authority expects and intends to comply, and to the extent permitted by law, will comply with the provisions and procedures set forth in the Tax Certificate and will do all things necessary to assure that the interest on the 2012 Bonds will be excluded from gross income under Section 103 of the Code. McCarter & English, LLP, Bond Counsel to the Authority, has relied upon the representations made in the Tax Certificate and has assumed continuing compliance by the Authority with all applicable federal income tax law requirements in rendering its federal income tax opinion with respect to the exclusion of interest on the 2012 Bonds from gross income for federal income tax purposes.

Based upon the foregoing, Bond Counsel is of the opinion that under existing law, interest on the 2012 Bonds is excluded from the gross income of the owners of the 2012 Bonds for federal income tax purposes pursuant to Section 103 of the Code, and interest on the 2012 Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax.

### **Additional Federal Income Tax Consequences**

In the case of certain corporate holders of the 2012 Bonds, interest on the 2012 Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the 2012 Bonds in “adjusted current earnings” of certain corporations.

Prospective purchasers of the 2012 Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the 2012 Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations. Prospective purchasers of the 2012 Bonds should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the 2012 Bonds from gross income pursuant to Section 103 of the Code and the exclusion of interest on the 2012 Bonds in the determination of the alternative minimum tax. Prospective purchasers of the 2012 Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the 2012 Bonds.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing state and local government obligations, which may include randomly selecting bond issues for audit, to determine whether interest paid to the holders is properly excludable from gross income for federal income tax

purposes. It cannot be predicted whether the 2012 Bonds will be audited. If an audit is commenced, under current Service procedures the holders of the 2012 Bonds may not be permitted to participate in the audit process, and the value and liquidity of the 2012 Bonds may be adversely affected.

### **Original Issue Discount**

Certain maturities of the 2012 Series A Bonds (the "Discount Bonds") were sold at an initial offering price less than the principal amount payable on the Discount Bonds at maturity. The difference between the initial public offering price at which a substantial amount of each of the Discount Bonds was sold and the principal amount payable at maturity of each of the Discount Bonds constitutes original issue discount. Bond Counsel is of the opinion that the appropriate portion of the original issue discount allocable to the original and each subsequent owner of the Discount Bonds will be treated for federal income tax purposes as interest not includable in gross income under Section 103 of the Code to the same extent as stated interest on the Discount Bonds. Under Section 1288 of the Code, original issue discount on the Discount Bonds accrues on the basis of economic accrual. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Bond will be increased by the amount of such accrued discount. Owners of the Discount Bonds should consult their personal tax advisors with respect to the determination for federal income tax purposes of the original issue discount properly accruable with respect to the Discount Bonds and the tax accounting treatment of accrued interest.

### **Original Issue Premium**

Certain maturities of the 2012 Series A Bonds (the "Premium Bonds") were sold at an initial offering price in excess of the amount payable at the maturity date. The excess, if any, of the tax basis of the Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner's tax cost of the Premium Bonds 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 Bonds. Accordingly, an owner of a Premium Bond may have taxable gain from the disposition of the Premium Bond, even though the Premium Bond is sold, or disposed of, for a price equal to the owner's original cost of acquiring the Premium Bond. Bond premium amortizes over the term of the Premium Bonds under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Premium Bonds should consult their own tax advisors with respect to the calculation of the amount of bond premium which 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 Bonds.

### **State Taxation**

Bond Counsel is of the opinion that, under existing law, interest on the 2012 Series A Bonds and net gains from the sale of the 2012 Series A Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

### **Changes in Federal Tax Law**

Federal, state or local legislation, administrative pronouncements or court decisions may affect the tax-exempt status of interest on the 2012 Bonds, gain from the sale or other disposition of the 2012 Bonds, the market value of the 2012 Bonds, or the marketability of the 2012 Bonds. For example, the

President of the United States has submitted proposals to Congress for legislation that would, among other things, limit the value of tax-exempt interest for higher-income taxpayers. No prediction can be made as to the ultimate outcome of these legislative proposals. If enacted into law, such proposals (or any other proposal involving a piecemeal or comprehensive review of the provisions of the Code, including provisions affecting the federal tax treatment of interest on tax-exempt bonds, that Congress might consider) could affect the tax exemption of interest, market price or marketability of tax-exempt bonds (including the 2012 Bonds). Prospective purchasers of the 2012 Bonds should consult their own tax and financial advisers regarding such matters.

### **General Matters**

Bond Counsel will render its opinion as of the issue date, and will assume no obligation to update its opinions after the issue date to reflect any future facts or circumstances, or any future changes in law or interpretation, or otherwise. Moreover, the opinions of Bond Counsel are only opinions and not a warranty or guaranty of the matters discussed.

See Appendix V to this Official Statement for the complete text of the proposed form of Bond Counsel's opinion with respect to the 2012 Series A Bonds.

### **UNDERWRITING**

The 2012 Series A Bonds are being purchased by Barclays, as representative of the underwriters listed on the cover page hereof (the "Underwriters"). The Underwriters have agreed, subject to certain conditions, to purchase all of the 2012 Series A Bonds at an aggregate purchase price of \$ \_\_\_\_\_, which is equal to the aggregate principal amount of 2012 Series A Bonds, plus net original issue premium in the amount of \_\_\_\_\_, and less an Underwriters' discount in the amount of \$ \_\_\_\_\_. The initial public offering prices of the 2012 Series A Bonds set forth on the inside cover page of this Official Statement may be changed without notice by the Underwriters. The Underwriters may offer and sell the 2012 Series A Bonds to certain dealers (including dealers depositing 2012 Series A Bonds into investment trusts, certain of which may be sponsored or managed by the Underwriters) and others at prices or yields lower than the offering prices or yields set forth on the inside cover page hereof.

### **RATINGS**

Fitch, Inc. ("Fitch"), Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P") and Moody's Investors Service, Inc. ("Moody's") have assigned municipal bond ratings of "\_\_\_" "\_\_\_" and "\_\_\_") respectively, to the 2012 Series A Bonds.

Such ratings reflect only the views of each organization, and an explanation of the significance of such ratings can only be obtained from Fitch, Moody's and S&P at the following addresses: Fitch, Inc., One State Street Plaza, New York, New York, 10004, Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007 and Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041. There is no assurance that these ratings will remain in effect for any given period of time or that they will not be revised downward or withdrawn entirely by Fitch, Moody's and S&P if, in the judgment of these rating agencies, circumstances so warrant. Any such downgrade revision or withdrawal of such ratings may have an adverse effect on the market price of the 2012 Series A Bonds. The Underwriters have not agreed to take any action with respect to any proposed rating changes or to bring such rating changes, if any, to the attention of the owners of the 2012 Series A Bonds.

## CONTINUING DISCLOSURE AGREEMENT

Upon the issuance and delivery of the 2012 Series A Bonds, the Authority and the State Treasurer will enter into an agreement (the "Continuing Disclosure Agreement") with the Trustee, as dissemination agent, for the benefit of the holders of the 2012 Series A Bonds, to comply with the secondary market disclosure requirements of the United States Securities and Exchange Commission's Rule 15c2-12. Pursuant to the Continuing Disclosure Agreement, the State Treasurer will covenant to provide certain financial information and operating data relating to the State, to the Municipal Securities Rulemaking Board ("MSRB"). Further, the Authority will covenant to provide notices of the occurrence of certain enumerated events, if material. The Trustee shall file such information on behalf of the Treasurer and such notices on behalf of the Authority with the MSRB. The Trustee may meet the continuing disclosure filing requirements described above by providing such information to the MSRB or by complying with any other procedure that may be authorized by the United States Securities and Exchange Commission. The form of the Continuing Disclosure Agreement is set forth in APPENDIX IV hereto.

For the fiscal year ended June 30, 2007, the Treasurer of the State failed to provide the State's annual report containing its financial and operating data as required by the State's various Agreements with Respect to Continuing Disclosure entered into by the State in connection with its general obligation bonds. The annual report was due to the nationally recognized municipal securities repositories on March 15, 2008. The annual report was filed on March 25, 2008.

For the Fiscal Year ended June 30, 2008, the State Treasurer failed to provide the State's annual report containing its financial and operating data as required by the State's various Agreements with Respect to Continuing Disclosure entered into by the State in connection with its general obligation bonds. The annual report was due to the nationally recognized municipal securities repositories on March 15, 2009. The annual report was filed on March 31, 2009.

The annual report for the Fiscal Year ended June 30, 2009, due March 15, 2010, was filed on March 15, 2010. The annual report for the Fiscal Year ended June 30, 2010, due March 15, 2011, was filed on February 1, 2011. The annual report for the Fiscal Year ended June 30, 2011, due March 15, 2012, was filed on February 10, 2012.

## MISCELLANEOUS

Copies of the Resolution may be obtained upon request from the Office of Public Finance, New Jersey Department of the Treasury, P.O. Box 005, Trenton, New Jersey 08625.

This Official Statement is distributed in connection with the sale and issuance of the 2012 Series A Bonds and may not be reproduced or used as a whole or in part, for any other purpose. This Official Statement has been duly authorized and approved by the Authority and duly executed and delivered on its behalf by the official signing below.

Any statements in this Official Statement involving matters of opinion, projections or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. The agreements of the Authority are fully set forth in the Resolution in accordance with the Act and this Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or owners of any 2012 Series A Bonds.

**NEW JERSEY TRANSPORTATION TRUST  
FUND AUTHORITY**

By: \_\_\_\_\_  
Gary Brune, Executive Director

Dated: November \_\_, 2012

**APPENDIX I-1**

**SUPPLEMENT DATED \_\_\_\_\_, 2012, TO APPENDIX I**

**APPENDIX I**

**FINANCIAL AND OTHER INFORMATION RELATING TO THE STATE OF NEW JERSEY**



**APPENDIX II**  
**SUMMARY OF THE RESOLUTION**

**APPENDIX III**

**COPY OF THE THIRD AMENDED AND RESTATED CONTRACT**

**APPENDIX IV**

**FORM OF THE CONTINUING DISCLOSURE AGREEMENT**

**APPENDIX V**  
**FORM OF OPINION OF BOND COUNSEL**



## CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (the “Disclosure Agreement”) is made as of the 1st day of \_\_\_\_\_, 2012, by and among the TREASURER OF THE STATE OF NEW JERSEY (the “Treasurer”), the NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY (the “Authority”), a public body corporate and politic of the State of New Jersey (the “State”), and TD BANK, NATIONAL ASSOCIATION, as Dissemination Agent (the “Dissemination Agent”), in its capacity as trustee under the 1995 Transportation System Bond Resolution adopted by the Authority on June 15, 1995, as amended and supplemented (the “General Bond Resolution”), including as supplemented by the Twenty-Eighth Supplemental Transportation System Bond Resolution adopted by the Authority on \_\_\_\_\_, 2012, and a Series Certificate of the Authority, dated as of \_\_\_\_\_, 2012 (collectively, the “Resolution”). This Disclosure Agreement is entered into in connection with the issuance and sale of the Authority’s \$326,260,000 Transportation System Bonds, 2012 Series A (the “2012 Series Bonds”).

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered for the benefit of the holders and beneficial owners of the 2012 Series Bonds (collectively, the “Bondholders” or the “Holders”) and in compliance with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”), as it may be amended from time to time, including administrative or judicial interpretations thereof, as it applies to the 2012 Series Bonds.

**SECTION 2. Definitions.** In addition to the definitions set forth above and in the Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“**Continuing Disclosure Information**” shall mean, collectively, (i) Treasurer’s Annual Reports, (ii) any notice required to be filed with the MSRB pursuant to Section 3(c) of this Disclosure Agreement, and (iii) any notice of a Listed Event required to be filed with the MSRB pursuant to Section 5(c) of this Disclosure Agreement.

“**Listed Events**” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board.

“**Opinion of Counsel**” shall mean a written opinion of counsel expert in federal securities law acceptable to the Treasurer and the Authority.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as it may be amended from time to time, including administrative or judicial interpretations thereof, as it applies to the 2012 Series Bonds.

“Treasurer’s Annual Report” shall mean the Treasurer’s Annual Report provided pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

### **SECTION 3. Provision of the Treasurer’s Annual Report.**

(a) The Treasurer shall, no later than March 15, 2013 and March 15 of each year during which any of the 2012 Series Bonds remain Outstanding, provide to the Dissemination Agent the Treasurer’s Annual Report prepared for the fiscal year of the State ending the immediately preceding June 30 (or if the fiscal year of the State shall end on any date other than June 30, the Treasurer shall provide the Treasurer’s Annual Report to the Dissemination Agent not later than the fifteenth day of the ninth month next following the end of such other fiscal year); provided, however, that the audited financial statements of the State may be submitted separately from the Treasurer’s Annual Report and later than the date required herein for the filing of the Treasurer’s Annual Report if such audited financial statements are not available by such date, but only if the unaudited financial statements are included in such respective Treasurer’s Annual Report. Each Treasurer’s Annual Report provided to the Dissemination Agent by the Treasurer shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package. Each Treasurer’s Annual Report may cross-reference other information which is available to the public on the MSRB’s internet website or which has been filed with the SEC and, if the document incorporated by reference is a final official statement, it must be available from the MSRB. Unless otherwise provided by law, any Continuing Disclosure Information filed with the MSRB in accordance with this Disclosure Agreement shall be in an electronic format as shall be prescribed by MSRB Rule G-32, and shall be accompanied by such identifying information as shall be prescribed by MSRB Rule G-32.

(b) The Dissemination Agent, promptly on receiving the Treasurer’s Annual Report, and, in any event, not later than April 1 in each year (or if the fiscal year of the State shall end on any date other than June 30, not later than the first day of the tenth month next following the end of such other fiscal year), shall submit such Treasurer’s Annual Report received by it to the MSRB in accordance with the Rule.

(c) If the Treasurer fails to submit the Treasurer’s Annual Report to the Dissemination Agent by the date required in subsection (a) of this Section 3, the Dissemination Agent shall send a notice to the Treasurer and the Authority advising of such failure. Whether or not such notice is given or received, if the Treasurer thereafter fails to submit the Treasurer’s Annual Report to the Dissemination Agent by the last Business Day of the month in which such Treasurer’s Annual Report was due, the Dissemination Agent shall promptly send a notice to the MSRB, in substantially the form attached as Exhibit A hereto.

(d) (i) Notwithstanding anything to the contrary contained in this Disclosure Agreement, in order to expedite the transmission of the Treasurer’s Annual Report to the MSRB, as set forth in subsections (a), (b) and (c) of this Section 3, the Treasurer shall have

the option, but shall not be obligated, to submit the Treasurer's Annual Report directly to the MSRB no later than March 15 in each year (or if the fiscal year of the State shall end on any date other than June 30, not later than the fifteenth day of the ninth month next following the end of such other fiscal year). In the event that the Treasurer elects to submit the Treasurer's Annual Report directly to the MSRB, the Treasurer shall, at the same time, submit the Treasurer's Annual Report to the Dissemination Agent together with evidence that such Treasurer's Annual Report has been forwarded by the Treasurer to the MSRB, upon which evidence the Dissemination Agent may rely. In the event that the Treasurer elects not to submit the Treasurer's Annual Report directly to the MSRB, the Treasurer shall provide the Treasurer's Annual Report to the Dissemination Agent within the time period specified in subsection (a) of this Section 3.

(ii) If the Dissemination Agent does not receive notice that the Treasurer has submitted the Treasurer's Annual Report directly to the MSRB as provided in subsection (d)(i) of this Section 3 by the last Business Day of the month in which such Treasurer's Annual Report was due, the Dissemination Agent shall promptly send a notice to the MSRB, in substantially the form attached as Exhibit A hereto.

#### **SECTION 4. Contents of the Treasurer's Annual Report.**

(a) Treasurer's Annual Report means (i) information pertaining to the finances and operating data of the State substantially of the type captioned as follows in Appendix I to the Official Statement of the Authority circulated in connection with the issuance of the 2012 Series Bonds: "STATE FINANCES," "FINANCIAL RESULTS AND ESTIMATES," "OUTSTANDING BONDED INDEBTEDNESS OF THE STATE," "TAX AND REVENUE ANTICIPATION NOTES," "OBLIGATIONS SUPPORTED BY STATE REVENUE SUBJECT TO ANNUAL APPROPRIATION," "MORAL OBLIGATION FINANCING," "STATE EMPLOYEES," "FUNDING PENSION PLANS," "FUNDING POST-RETIREMENT MEDICAL BENEFITS" and "LITIGATION" and (ii) "COMPREHENSIVE ANNUAL FINANCIAL REPORT," being the audit report prepared annually by the Office of the State Auditor with respect to the State's general purpose financial statements for each year, as set forth in Appendix -I-A attached to such Appendix I described above, all such financial information included in clause (ii) above being prepared using the accounting standards set forth in subsection (b) of this Section 4.

(b) The State prepares its financial statements in accordance with the provisions of Statements No. 34 and No. 35 of the Governmental Accounting Standards Board.

#### **SECTION 5. Reporting of Listed Events.**

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following listed events (the "Listed Events"):

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;



- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2012 Series Bonds, or other material events affecting the tax status of the 2012 Series Bonds;
- (7) Modification to rights of Bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances of the 2012 Series Bonds;
- (10) Release, substitution or sale of property securing repayment of the 2012 Series Bonds, if material;
- (11) Rating changes relating to the 2012 Series Bonds;
- (12) Bankruptcy, insolvency, receivership or similar event of the Authority;
- (13) The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee for the 2012 Series Bonds or the change of name of a trustee for the 2012 Series Bonds, if material.

(b) The Treasurer shall in a timely manner not in excess of seven (7) Business Days after the occurrence of any Listed Event notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. The Authority shall promptly upon obtaining actual knowledge of the occurrence of any of the Listed Events notify the Treasurer in writing of the occurrence of such event, but shall not be required to give any such notice to the Dissemination Agent. In determining the materiality of any of the Listed Events specified in

subsection (a) of this Section 5, the Treasurer and the Authority may, but shall not be required to, rely conclusively on an Opinion of Counsel.

(c) If the Dissemination Agent has been instructed by the Treasurer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB within three (3) Business Days of the receipt of such instruction, but in no event later than ten (10) Business Days after the occurrence of a Listed Event. In addition, notice of Listed Events described in subsections (a)(8) and (9) of this Section 5 shall be given by the Dissemination Agent under this subsection simultaneously with the giving of the notice of the underlying event to the Holders of the affected 2012 Series Bonds pursuant to the Resolution.

(d) Notwithstanding anything to the contrary in this Disclosure Agreement, in order to expedite the transmission of the occurrence of Listed Events as set forth in this Section 5, the Treasurer shall have the option, but shall not be obligated to, file timely notice (which notice, if filed, shall not be filed in excess of ten (10) Business Days after the occurrence of any Listed Event), directly with the MSRB, copying the Dissemination Agent on any such notice.

**SECTION 6. Termination of Reporting Obligation.** The respective obligations of the Treasurer and the Authority under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the 2012 Series Bonds.

**SECTION 7. Amendment; Waiver.** Notwithstanding any other provisions of this Disclosure Agreement, the Authority and the Treasurer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an Opinion of Counsel addressed to the Treasurer, the Authority and the Dissemination Agent to the effect that such amendment or waiver will not, in and of itself, cause the undertakings herein to violate the Rule. No amendment to this Disclosure Agreement shall change or modify the rights or obligations of the Dissemination Agent without its written assent thereto.

**SECTION 8. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Treasurer or the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Treasurer's Annual Report or notice of occurrence of a Listed Event, as the case may be, in addition to that which is required by this Disclosure Agreement. If the Treasurer or the Authority chooses to include any information in any Treasurer's Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, it shall not have any obligation under this Disclosure Agreement to update or continue to provide such information or include it in any future Treasurer's Annual Report or notice of occurrence of a Listed Event.

**SECTION 9. Default.**

(a) In the event of a failure of the Treasurer or the Authority to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the written request of the Holders of at least 25% in aggregate principal amount of Outstanding 2012 Series Bonds affected by such failure shall), or any Bondholder may take such actions as may be

necessary and appropriate to cause the Treasurer or the Authority to comply with its obligations under this Disclosure Agreement; provided, however, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Notwithstanding the foregoing, the right of any Bondholder to challenge the adequacy of information provided pursuant to this Disclosure Agreement shall be limited in the same manner as enforcement rights are limited under the Resolution. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the Treasurer or the Authority to comply with this Disclosure Agreement shall be an action to compel performance.

(b) For purposes of this Disclosure Agreement, in making determinations under applicable securities law, the Treasurer or the Authority may, but shall not be required to, rely on an Opinion of Counsel with respect to matters of a legal nature.

**SECTION 10. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Dissemination Agent and the Bondholders, and each Bondholder is hereby declared to be a third party beneficiary of this Disclosure Agreement. Except as provided in the immediately preceding sentence, this Disclosure Agreement shall create no rights in any other person or entity.

**SECTION 11. Reimbursement of the Dissemination Agent.** The provisions of Section 905 of the General Bond Resolution relating to reimbursement of a Fiduciary shall apply to the performance by the Dissemination Agent of its obligations as Dissemination Agent under this Disclosure Agreement.

**SECTION 12. Notices.** All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

(i) If to the Authority:

New Jersey Transportation Trust Fund Authority  
Finance and Administration Building  
1035 Parkway Avenue, P.O. Box 600  
Trenton, New Jersey 08625  
Attn: Executive Director

(ii) If to the Treasurer:

New Jersey Department of the Treasury  
c/o Office of Public Finance  
50 West State Street, 5<sup>th</sup> Floor  
P.O. Box 005  
Trenton, New Jersey 08625  
Attn: Director, Office of Public Finance

(iii) If to the Dissemination Agent:

TD Bank, National Association  
1006 Astoria Boulevard  
Cherry Hill, New Jersey 08034  
Attn: Corporate Trust Department

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section 12 for the giving of notice.

**SECTION 13. Successors and Assigns.** All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the Treasurer, the Authority or the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

**SECTION 14. Headings for Convenience Only.** The descriptive headings in this Disclosure 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 15. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 16. Severability.** If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

**SECTION 17. Governing Law and Venue.** This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State. The parties hereto agree that the Authority, the Treasurer or the State may be sued, pursuant to Section 9 hereof, only in a State court in the County of Mercer in the State.

**SECTION 18. Compliance with L. 2005, c. 271.** The Dissemination Agent hereby acknowledges that it has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to N.J.S.A. 19:44A-20.13 (L. 2005, c. 271, section 3) if the Dissemination Agent enters into agreements or contracts, such as this Disclosure Agreement, with a public entity, such as the Authority, and receives compensation or fees in excess of \$50,000 or more in the aggregate from public entities, such as the Authority, in a calendar year. It is the Dissemination Agent's responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at [www.elec.state.nj.us](http://www.elec.state.nj.us).

**SECTION 19. Compliance with L. 2005, c. 92.** In accordance with L. 2005, c. 92, the Dissemination Agent agrees that all services performed under this Disclosure Agreement or

any subcontract awarded under this Disclosure Agreement shall be performed within the United States of America.

[SIGNATURE PAGE TO FOLLOW]

**IN WITNESS WHEREOF**, the parties hereto have caused this Disclosure Agreement to be executed and delivered by their proper and duly authorized officers as of the day and year first above written.

**TREASURER, STATE OF NEW JERSEY**

\_\_\_\_\_  
ANDREW P. SIDAMON-ERISTOFF

**NEW JERSEY TRANSPORTATION  
TRUST FUND AUTHORITY**

By: \_\_\_\_\_  
GARY BRUNE  
Executive Director

**TD BANK, NATIONAL ASSOCIATION,  
as Dissemination Agent**

By: \_\_\_\_\_  
DAVID C. LEONDI  
Vice President

EXHIBIT A

NOTICE OF FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer: New Jersey Transportation Trust Fund Authority

Name of Bond issues affected: \$ \_\_\_\_\_ Transportation System Bonds, 2012 Series A  
\$326,260,000 Transportation System Bonds, 2012 Series B

Date of Issuance  
of the affected issues: \_\_\_\_\_, 2012

NOTICE IS HEREBY GIVEN that the Treasurer of the State of New Jersey has not provided a Treasurer's Annual Report with respect to the above-named Bond issues as required by Section 3 of the Continuing Disclosure Agreement dated \_\_\_\_\_, 2012 by and among the Treasurer, the New Jersey Transportation Trust Fund Authority and the Dissemination Agent.

[TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE – The Treasurer anticipates that the specified Treasurer's Annual Report will be filed by \_\_\_\_\_.]

Dated: \_\_\_\_\_

**TD BANK, NATIONAL ASSOCIATION,  
as Dissemination Agent**

By: \_\_\_\_\_  
Name:  
Title:

cc: Treasurer  
Authority

the 1990s, the number of publications on the topic has increased steadily, and the number of authors has increased from 1 to 100.

There are a number of reasons for the increase in research on the topic. One reason is the growing awareness of the importance of the topic. Another reason is the increasing availability of data and methods for studying the topic. A third reason is the increasing interest in the topic by the general public.

The following sections discuss the history of research on the topic, the current state of research, and the future of research on the topic. The first section discusses the history of research on the topic. The second section discusses the current state of research. The third section discusses the future of research on the topic.

The history of research on the topic can be divided into three periods. The first period is the period from the 1950s to the 1970s. The second period is the period from the 1970s to the 1990s. The third period is the period from the 1990s to the present.

In the first period, research on the topic was primarily concerned with the basic biology of the topic. In the second period, research on the topic was primarily concerned with the epidemiology of the topic. In the third period, research on the topic has been primarily concerned with the social and behavioral aspects of the topic.

The current state of research on the topic is characterized by a number of trends. One trend is the increasing use of molecular biology techniques. Another trend is the increasing use of epidemiological methods. A third trend is the increasing use of social and behavioral science methods.

The future of research on the topic is likely to be characterized by a number of trends. One trend is the increasing use of interdisciplinary approaches. Another trend is the increasing use of large-scale data sets. A third trend is the increasing use of computational methods.

In conclusion, research on the topic has a long and rich history. The current state of research is characterized by a number of trends. The future of research on the topic is likely to be characterized by a number of trends.

The following sections discuss the history of research on the topic, the current state of research, and the future of research on the topic. The first section discusses the history of research on the topic. The second section discusses the current state of research. The third section discusses the future of research on the topic.

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In the first period, research on the topic was primarily concerned with the basic biology of the topic. In the second period, research on the topic was primarily concerned with the epidemiology of the topic. In the third period, research on the topic has been primarily concerned with the social and behavioral aspects of the topic.

The current state of research on the topic is characterized by a number of trends. One trend is the increasing use of molecular biology techniques. Another trend is the increasing use of epidemiological methods. A third trend is the increasing use of social and behavioral science methods.

The future of research on the topic is likely to be characterized by a number of trends. One trend is the increasing use of interdisciplinary approaches. Another trend is the increasing use of large-scale data sets. A third trend is the increasing use of computational methods.



**THIRD AMENDED AND RESTATED CONTRACT  
IMPLEMENTING FUNDING PROVISIONS OF  
THE NEW JERSEY TRANSPORTATION  
TRUST FUND AUTHORITY ACT WITH  
RESPECT TO TRANSPORTATION SYSTEM BONDS**

**THIS THIRD AMENDED AND RESTATED CONTRACT IMPLEMENTING FUNDING PROVISIONS OF THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY ACT WITH RESPECT TO TRANSPORTATION SYSTEM BONDS** (the "Agreement") is made as of \_\_\_\_\_, 2012, by and among the Treasurer of the State of New Jersey (the "Treasurer"), the Commissioner of the New Jersey Department of Transportation (the "Commissioner"), and the New Jersey Transportation Trust Fund Authority (the "Authority"), a public body corporate and politic of the State of New Jersey (the "State").

**BACKGROUND**

WHEREAS, the Authority was established and exists pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984, L. 1984, c. 73, as amended and supplemented (the "Act"); and

WHEREAS, the Act provides that there exists an urgent need for a stable and assured method of financing the planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of New Jersey's transportation system and that, unless additional State funding is provided immediately for New Jersey's transportation system, the cost of repair and reconstruction will increase geometrically and the economic well-being and safety of users of the State's transportation system will be endangered; and

WHEREAS, by Concurrent Resolution, passed in the Senate and Assembly on July 30, 1984, the New Jersey Legislature proposed an amendment to Article VIII, Section II of the Constitution of the State of New Jersey to dedicate for 17 years an amount equivalent to the revenue derived from \$0,025 per gallon of the tax imposed on the sale of motor fuels pursuant to chapter 39 of title 54 of the Revised Statutes (N.J.S.A. 54:39-27, as amended by L. 1987, c. 480) (the "Motor Fuels Tax") which had not previously been dedicated by law, to a special account in the General Fund, and authorizing the Legislature to enact laws appropriating those moneys only for the purposes of paying or financing the cost of planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of the transportation system in the State; and

WHEREAS, the question of whether to so amend the State Constitution was submitted to the people of New Jersey at the general election held on November 6, 1984; and

WHEREAS, the official results of that election indicate that the majority of all votes cast for and against that question at such election were cast in favor of said amendment to the State Constitution; and

WHEREAS, in 1984 the Act established an arrangement whereby the State's share of the costs related to the reconstruction and repair of New Jersey's transportation system could be financed; and

WHEREAS, the funding of New Jersey's transportation system has been undertaken to date through the issuance of the Authority's Transportation System Bonds (the "Transportation System Bonds"), under the Authority's 1995 Transportation System Bond Resolution, as amended and supplemented (the "1995 Bond Resolution"); and

WHEREAS, in order to implement the financing arrangement provided for in the Act with respect to the Transportation System Bonds, the Treasurer, the Commissioner and the Authority have been authorized by Section 23 of the Act to enter into one or more contracts; and

WHEREAS, pursuant to the authority so granted in Section 23 of the Act, the Treasurer, the Commissioner and the Authority entered into that certain Amended and Restated Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act dated as of July 1, 1995, as amended and supplemented by that certain First Amendment to Amended and Restated Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act, dated as of October 1, 1995, which amended and restated in their entirety that certain Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act, dated January 14, 1985, and a first amendment and supplement thereto, dated as of March 2, 1988 (collectively, the "First Amended and Restated Contract"); and

WHEREAS, the Act was amended on June 20, 2000 by L. 2000, c. 73 (the "2000 Legislation") to provide, among other things, for (i) the renewal of the funding program of the Authority with respect to the Transportation System Bonds, (ii) the issuance of bonds, notes and other obligations in an aggregate principal amount in excess of the statutory debt limit in effect prior to the 2000 Legislation and (iii) an increase in the amount of revenues available to the Authority; and

WHEREAS, by Concurrent Resolution, passed in the Senate and Assembly on July 20, 2000, the New Jersey Legislature proposed an amendment to Article VIII, Section II of the Constitution of the State of New Jersey (i) to credit to a special account in the General Fund, in each Fiscal Year, certain amounts derived from the State revenues collected from the tax on the gross receipts of the sale of petroleum products imposed pursuant to L. 1990, c. 42 (C.54:15B-1 et seq.) as amended and supplemented (the "Petroleum Products Tax") and (ii) to credit to a special account in the General Fund, certain amounts derived from State revenues collected from the State tax imposed under the "Sales and Use Tax Act," pursuant to L. 1966, c. 30 (C.54:32B-1 et seq.) as amended and supplemented (the "Sales and Use Tax"), both subject and subordinate to certain appropriations and uses of the revenues as set forth in the State Constitution; and

WHEREAS, the question of whether to so amend the State Constitution was submitted to the people of New Jersey at the general election held on November 7, 2000; and

WHEREAS, the official results of that election indicate that the majority of all votes cast for and against that question at such election were cast in favor of said amendment to the State Constitution; and

WHEREAS, the Treasurer, the Commissioner and the Authority entered into an Amended and Restated Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act, dated as of June 6, 2001 (the "2001 Amended and Restated State Contract"), in order to implement the financing arrangements provided for in the Act, as amended by the 2000 Legislation, and to secure financial obligations of the Authority to be incurred thereafter with respect to the Transportation System Bonds; and

WHEREAS, the Act was amended on March 23, 2006 by L. 2006, c. 3 (the "2006 Legislation") to provide, among other things, for (i) the renewal of the funding program of the Authority with respect to the Transportation System Bonds, (ii) the issuance of bonds, notes and other obligations in an aggregate principal amount in excess of the statutory debt limit in effect prior to the 2006 Legislation, (iii) an increase in the amount of revenues available to the Authority, and (iv) certain other requirements in connection with the issuance of refunding bonds; and

WHEREAS, the Treasurer, the Commissioner and the Authority entered into a Second Amended and Restated Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act, dated as of June 1, 2006 (the "Second Amended and Restated State Contract"), in order to implement the financing arrangements provided in the Act, as amended by the 2006 Legislation, and to secure the financial obligations of the Authority to be incurred thereafter with respect to the Transportation System Bonds; and

WHEREAS, the Act was amended on June 29, 2012 by L. 2012, c. 13 (the "2012 Legislation") to provide, among other things, for (i) the renewal of the funding program of the Authority, (ii) the issuance of bonds, notes and other obligations in an aggregate principal amount in excess of the statutory debt limit in effect prior to the 2012 Legislation, (iii) the payment of debt service on a new type of bond referred to as transportation program bonds authorized under the 2012 Legislation solely from revenues dedicated pursuant to the New Jersey Constitution, including Article VIII, Section II, paragraph 4, and (iv) changes to the Joint Budget Oversight Committee's review of certain bonding by the Authority; and

WHEREAS, pursuant to the authority so granted in Section 23 of the Act, as amended by the 2012 Legislation, the Treasurer, the Commissioner and the Authority will enter into this Agreement in order to incorporate certain clarifying changes to the Act, as provided for in the 2012 Legislation, relating to the Transportation System Bonds, and to implement the financing arrangements provided for in the Act, as amended by the 2012 Legislation, with respect to the Transportation System Bonds and to secure financial obligations of the Authority to be incurred thereafter with respect to the Transportation System; and

WHEREAS, the Authority has duly authorized its Chairperson, Vice Chairperson or Executive Director by the Twenty-Eighth Supplemental Transportation System Bond Resolution adopted on October 26, 2012, to enter into and execute this Agreement.

NOW, THEREFORE, in consideration of the promises, mutual covenants and agreements herein set forth and the undertakings of each party to the others, the Treasurer, the Commissioner and the Authority do hereby promise, covenant and agree as follows:

## ARTICLE I

### DEFINITIONS

#### 1.1. Definitions.

As used and referred to in this Agreement, and unless a different meaning clearly appears from the context:

“Act” shall mean the New Jersey Transportation Trust Fund Authority Act of 1984, L. 1984, c. 73 as from time to time amended and supplemented including, but not limited to, the 2006 Legislation and the 2012 Legislation.

“Authority” shall mean the New Jersey Transportation Trust Fund Authority, a public body corporate and politic established pursuant to the Act.

“Bond Resolution” means any resolution, indenture, agreement, or other instrument adopted or entered into by the Authority which provides security for the payment of the Transportation System Bonds, notes or other obligations related to such Transportation System Bonds, including, but not limited to the 1995 Bond Resolution, as amended and supplemented.

“Commissioner” shall mean the Commissioner of the New Jersey Department of Transportation.

“Department” shall mean the New Jersey Department of Transportation.

“Extraordinary Appropriations” shall mean any appropriations made by the New Jersey Legislature to the Authority in excess of those amounts referred to in this Agreement.

“Fiscal Year” shall mean the twelve month period ending on June 30 of each year.

“Special Transportation Fund” shall mean the separate State fund established by Section 21 of the Act.

“Toll Road Authority Contracts” shall mean (i) the Agreement between the New Jersey Turnpike Authority and the State, dated April 17, 1984, as amended by the Second Amendment Constituting the Amended and Restated Agreement between the New Jersey Turnpike Authority and the Treasurer of the State of New Jersey dated March 27, 2000; and (ii) the Agreement between the New Jersey Expressway Authority and the New Jersey Department of Transportation, dated November 17, 1983; as each such agreement has been or may be amended, supplemented or superseded and replaced in its entirety by subsequent agreement, and any assignments thereof.

“Transportation Trust Fund Account” shall mean the account in the General Fund of the State established by Section 20 of the Act.

“Transportation Trust Fund Subaccount” shall mean the subaccount in the Transportation Trust Fund Account entitled “Subaccount for Debt Service for Prior Bonds” established by Section 20 the Act.

“Treasurer” shall mean the Treasurer of the State of New Jersey.

## ARTICLE II

### TRANSPORTATION TRUST FUND SUBACCOUNT

2.1. (a) During each Fiscal Year commencing on or after July 1, 2006 in which the Authority has bonds, notes or other obligations outstanding under the 1995 Bond Resolution, the Treasurer shall credit to the Transportation Trust Fund Subaccount a portion of an amount equivalent to the revenue derived from \$0.105 per gallon from the Motor Fuels Tax, provided that the total amount credited to the Transportation Trust Fund Account shall not be less than \$483,000,000.

(b) The Treasurer shall, in addition to the foregoing, credit to the Transportation Trust Fund Subaccount (i) a portion of an amount equivalent to the revenue derived from the Petroleum Products Tax, provided that the total amount credited to the Transportation Trust Fund Account during the Fiscal Year commencing July 1, 2001 and during each of the Fiscal Years thereafter shall not be less than \$200,000,000; and (ii) for the Fiscal Year beginning July 1, 2001 and each Fiscal Year thereafter, a portion of an amount equivalent to the revenue derived from the Sales and Use Tax on the sale of new motor vehicles, provided that the total amount credited to the Transportation Trust Fund Account during the Fiscal Year beginning July 1, 2003 and thereafter shall not be less than \$200,000,000.

2.2. During the Fiscal Year beginning July 1, 1995 and during each succeeding Fiscal Year, the Treasurer shall, in addition to the foregoing, credit to the Transportation Trust Fund Subaccount amounts equivalent to the moneys received by the State in accordance with the Toll Road Authority Contracts or such other contracts as may be entered into with other State agencies as such moneys are received by the State, provided that the amount so credited shall not be less than \$24,500,000 in any Fiscal Year.

2.3. The Treasurer shall also credit to the Transportation Trust Fund Subaccount an amount equivalent to the sum of revenues due in each Fiscal Year from: (i) the increase of fees motor vehicle registrations collected pursuant to the amendment to R.S. 39:3-20 made by Section 32 of L. 1984 c. 73; and (ii) the increase in tax on diesel fuels imposed pursuant to the amendment to R.S. 54:39-27 made by Section 35 of L. 1984, c. 73 and by L. 1987, c. 460, and as amended by Section 18 of L. 1992, c. 23, and repealed by Section 56 of L. 2010, c. 22 and now imposed pursuant to Section 3 of L. 2010, c. 22 (C. 54:39-103), provided that the amount so credited during any Fiscal Year shall not be less than \$30,000,000.00.

2.4. In addition to all other amounts to be credited to the Transportation Trust Fund Subaccount as provided above in this Article II, there shall be appropriated from the General Fund in each Fiscal Year any additional amounts necessary to carry out the purpose of the Act and beginning July 1, 2000, the fees collected pursuant to subsection a. of Section 68 of L. 1990,

c. 8 (N.J.S.A. 17:33B-63) shall be credited to the Transportation Trust Fund Subaccount for the purposes of the Act, provided, however, the amount credited from such fees during any Fiscal Year shall not be less than \$60,000,000.

2.5. (a) Not later than the fifth business day of the month following the month in which a credit has been made pursuant to the foregoing sections, the Treasurer shall pay the Authority for its purposes as provided in the Act, the amount then credited to the Transportation Trust Fund Subaccount.

(b) All payments to the Authority shall be subject to and dependent upon appropriations being made from time to time by the Legislature for the purposes of the Act.

2.6. (a) Any Extraordinary Appropriations shall be credited to the Transportation Trust Fund Subaccount as may be determined by the Treasurer and the Authority.

(b) Unless the Legislature otherwise provides, in the event that appropriations with respect to any Fiscal Year have not been made by July 1 of said Fiscal Year, the initial credit of any amounts to be credited hereunder shall be in an amount equal to that which would have been credited to the Transportation Trust Fund Subaccount if the appropriations had been made by said July 1.

### **ARTICLE III**

#### **SPECIAL TRANSPORTATION FUND**

3.1. The Treasurer shall maintain the Special Transportation Fund in accordance with the Act.

3.2. Subject to the rights and security interests of holders from time to time of such bonds, notes or other obligations as the Authority may hereafter issue under the 1995 Bond Resolution, and other secured parties under the 1995 Bond Resolution, the Authority agrees to transfer to the Special Transportation Fund from its available funds or revenues such amounts as may be appropriated by law to fund designated categorical or specific projects of the Department of Transportation.

3.3. The Commissioner may from time to time, but not more frequently than monthly, certify to the Authority an amount necessary to fund payments made, or anticipated to be made, by or on behalf of the Department from appropriations established for or made to the Department from revenues or other funds of the Authority. The Commissioner's certification shall be deemed conclusive for the purposes of this Section.

3.4. Within 15 days of receipt of the Commissioner's certification, the Authority shall transfer the amount so certified from the available funds of the Authority to the Treasurer for deposit in the Special Transportation Fund. Such transfers shall be subject to the provisions of any Bond Resolution in effect at the time of the transfer.

3.5. All funds transferred to the Special Transportation Fund in accordance with the preceding Section shall only be expended by the Department pursuant to such appropriations or authorizations as may be made from time to time by the Legislature for the purposes of the Act.

#### **ARTICLE IV**

##### **ENFORCEMENT OF TOLL ROAD AUTHORITY CONTRACTS**

4.1. The parties hereto agree that the Toll Road Authority Contracts shall be enforced in accordance with their terms and that any amendment or modification thereof shall include such conditions and covenants necessary and desirable to facilitate the sale of bonds, notes and other obligations of the Authority pursuant to the 1995 Bond Resolution. The parties further agree that there shall be no amendment or modification of the Toll Road Authority Contracts which would adversely affect the interests of the Authority or the holders of bonds, notes or other obligations of the Authority secured by this Agreement.

#### **ARTICLE V**

##### **PLEDGE OF AGREEMENT**

5.1. The parties hereto acknowledge that the Authority will pledge this Agreement as security for the payment of its bonds, notes or other obligations in accordance with the Act issued pursuant to the 1995 Bond Resolution, and will covenant with the holders of such bonds, notes or other obligations to enforce the provisions of this Agreement.

#### **ARTICLE VI**

##### **SUBJECT TO APPROPRIATION**

6.1. It is expressly understood by the parties that the incurrence of any obligation by the State under this Agreement, including any payments to be made hereunder from the Transportation Trust Fund Subaccount or the Special Transportation Fund, shall be subject to and dependent upon appropriations being made from time to time by the Legislature for the purposes of the Act.

#### **ARTICLE VII**

##### **SEVERABILITY OF INVALID PROVISIONS**

7.1. If any one or more of the covenants or agreements provided in this Agreement to be performed on the part of the Treasurer, the Commissioner or the Authority should be deemed contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining agreements and covenants and shall in no way affect the validity of the other provisions of this Agreement.

**ARTICLE VIII**

**GOVERNING LAW**

8.1. This Agreement shall be construed and governed in accordance with the laws of the State of New Jersey.

**ARTICLE IX**

**HEADINGS**

9.1. Headings preceding the texts of the several Articles hereof are solely for the convenience of reference and shall not constitute a part of this Agreement or affect its meaning, construction or effect.

**ARTICLE X**

**EXECUTION IN COUNTERPARTS**

10.1. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

**ARTICLE XI**

**AMENDMENTS AND SUPPLEMENTS**

11.1. This Agreement may be amended or supplemented from time to time when necessary or desirable to further implement the provisions of the Act; provided that no amendment or supplement Agreement shall adversely affect the interests of the holders of the Authority's bonds, notes or other obligations issued pursuant to the 1995 Bond Resolution and secured by this Agreement.

**ARTICLE XII**

**EFFECTIVE DATE AND TERMINATION**

12.1. This Agreement shall become effective as of \_\_\_\_\_, 2012.

12.2. This Agreement shall terminate when the Authority shall have paid or made provision for payment of all of its bonds, notes or other obligations issued pursuant to the 1995 Bond Resolution and secured by this Agreement.



IN WITNESS WHEREOF, the parties have themselves executed and or have done so by their officers thereunto duly the date and year first written above.

TREASURER, STATE OF NEW JERSEY

By: \_\_\_\_\_

COMMISSIONER, NEW JERSEY  
DEPARTMENT OF TRANSPORTATION

By: \_\_\_\_\_

NEW JERSEY TRANSPORTATION  
TRUST FUND AUTHORITY

By: \_\_\_\_\_

[SIGNATURE PAGE TO THIRD AMENDED AND RESTATED CONTRACT]

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

Yeas: 6

Nays: 0

As the next order of business, Deputy Commissioner Joseph Mrozek requested Gary Brune to lead a discussion pertaining to the request for approval of the Transportation Program Bond Resolution authorizing the issuance of and security for Transportation Program Bonds Pursuant to P.L. 2012, c. 13.

Gary Brune stated that this resolution serves as the generic authorization for the Authority to issue the newly-created Transportation Program Bonds, and pointed out that those bonds will not be subject to voter approval because the associated debt service is fully paid from constitutionally-dedicated sources. Adam Wendell, Bond Counsel, provided a brief summary of the resolution.

Charles Ellinwood, from Barclays, provided a summary noting that the security associated with the new Transportation Program Bonds is different; however, the Authority can expect the same rates as the Transportation System Bonds and that tax-exempt rates are very beneficial to issuers in the current market.

Deputy Commissioner Joseph Mrozek asked if there were any further discussion and then requested a motion to adopt the resolution entitled, "New Jersey Transportation Trust Fund Authority 2012 Transportation Program Bond Resolution".

Mr. Petrecca moved the following resolution approving the New Jersey Transportation Trust Fund Authority 2012 Transportation Program Bond Resolution:

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**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**  
**2012 TRANSPORTATION PROGRAM BOND RESOLUTION**  
**ADOPTED OCTOBER 26, 2012**

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## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I      DEFINITIONS AND STATUTORY AUTHORITY .....	2
SECTION 101. Definitions.....	2
SECTION 102. Authority for the Resolution .....	15
SECTION 103. Resolution to Constitute Contract.....	15
ARTICLE II      AUTHORIZATION AND ISSUANCE OF BONDS AND SUBORDINATED DEBT .....	16
SECTION 201. Authorization of Bonds.....	16
SECTION 202. General Provisions for Issuance of Bonds .....	16
SECTION 203. Refunding Bonds.....	18
SECTION 204. Subordinated Debt.....	19
ARTICLE III     GENERAL TERMS AND PROVISIONS OF BONDS AND OTHER OBLIGATIONS.....	19
SECTION 301. Medium of Payment: Form and Date; Letters and Numbers .....	19
SECTION 302. Legends .....	20
SECTION 303. Execution and Authentication.....	20
SECTION 304. Exchange, Transfer and Registry .....	21
SECTION 305. Regulations with Respect to Exchanges and Transfers .....	21
SECTION 306. Bonds Mutilated, Destroyed, Stolen or Lost.....	22
SECTION 307. Temporary Bonds.....	22
SECTION 308. Other Obligations.....	22
ARTICLE IV     REDEMPTION OF BONDS .....	23
SECTION 401. Privilege of Redemption and Redemption Price.....	23
SECTION 402. Redemption at the Election or Direction of the Authority.....	23
SECTION 403. Redemption Otherwise Than at the Authority's Election or Direction .....	23
SECTION 404. Selection of Bonds to be Redeemed .....	23
SECTION 405. Notice of Redemption .....	24
SECTION 406. Payment of Redeemed Bonds .....	24
SECTION 407. Adjustment of Sinking Fund Installments Upon Redemption of Bonds .....	25
SECTION 408. Redemption or Prepayment of Other Obligations.....	25
ARTICLE V      ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF.....	25
SECTION 501. The Pledge Effected by the Resolution.....	25
SECTION 502. Establishment of Funds and Accounts.....	27
SECTION 503. Transportation Program Improvement Fund.....	27
SECTION 504. Payments Into Certain Funds .....	27
SECTION 505. Program Debt Service Fund.....	28
SECTION 506. [Reserved] .....	29
SECTION 507. Program Subordinated Debt Fund.....	29
SECTION 508. Authority Program Reserve Fund .....	29
SECTION 509. Program Rebate Fund.....	30

SECTION 510. Cancellation and Destruction of Bonds .....	30
SECTION 511. Subordinated Debt.....	30
SECTION 512. Other Funds and Accounts.....	32
ARTICLE VI DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS .....	32
SECTION 601. Depositories .....	32
SECTION 602. Deposits.....	33
SECTION 603. Investment of Certain Funds.....	33
SECTION 604. Valuation and Sale of Investments.....	34
ARTICLE VII PARTICULAR COVENANTS OF THE AUTHORITY .....	35
SECTION 701. Payment of Bonds.....	35
SECTION 702. Extension of Payment of Bonds.....	35
SECTION 703. Offices for Servicing Bonds.....	35
SECTION 704. Further Assurance .....	35
SECTION 705. Power to Issue Bonds and Pledge of Pledged Property .....	36
SECTION 706. Creation of Liens.....	36
SECTION 707. State Contracts .....	36
SECTION 708. Accounts and Reports .....	36
SECTION 709. Maintenance of Existence, Compliance with Resolution and Act and Other Matters .....	37
SECTION 710. Financing Facilities.....	38
SECTION 711. Obligation to Enforce Financing Facilities .....	38
ARTICLE VIII EVENTS OF DEFAULT; REMEDIES OF BONDHOLDERS .....	38
SECTION 801. Events of Default .....	38
SECTION 802. Remedies.....	39
SECTION 803. Accounting and Examination of Records After Default.....	39
SECTION 804. Application of Pledged Property After Default .....	40
SECTION 805. Proceedings Brought by Trustee.....	42
SECTION 806. Restrictions on Bondholder's Action.....	44
SECTION 807. Remedies Not Exclusive .....	45
SECTION 808. Effect of Waiver and Other Circumstances .....	45
SECTION 809. Notice of Default.....	45
SECTION 810. Rights of Financing Facility Providers .....	46
SECTION 811. Rights of Holders of Subordinated Debt.....	46
ARTICLE IX CONCERNING THE FIDUCIARIES.....	46
SECTION 901. Trustee; Appointment and Acceptance of Duties .....	46
SECTION 902. Paying Agents; Appointment and Acceptance of Duties.....	46
SECTION 903. Responsibilities of Fiduciaries.....	46
SECTION 904. Evidence on Which Fiduciaries May Act .....	47
SECTION 905. Compensation.....	48
SECTION 906. Certain Permitted Acts.....	48
SECTION 907. Resignation of Trustee .....	49
SECTION 908. Removal of the Trustee.....	49

SECTION 909. Appointment of Successor Trustee .....	49
SECTION 910. Transfer of Rights and Property to Successor Trustee.....	50
SECTION 911. Merger or Consolidation .....	50
SECTION 912. Adoption of Authentication .....	50
SECTION 913. Resignation or Removal of Paying Agent and Appointment of Successor	51
ARTICLE X SUPPLEMENTAL RESOLUTIONS .....	51
SECTION 1001. Supplemental Resolutions Effective Upon Filing With the Trustee.....	51
SECTION 1002. Supplemental Resolutions Effective Upon Consent of Trustee.....	52
SECTION 1003. Supplemental Resolutions Effective with Consent of Bondholders .....	52
SECTION 1004. General Provisions .....	53
ARTICLE XI AMENDMENTS .....	53
SECTION 1101. Mailing .....	53
SECTION 1102. Powers of Amendment.....	53
SECTION 1103. Consent of Bondholders.....	54
SECTION 1104. Modifications by Unanimous Consent.....	55
SECTION 1105. Exclusion of Bonds .....	56
SECTION 1106. Notation on Bonds .....	56
ARTICLE XII MISCELLANEOUS .....	56
SECTION 1201. Defeasance .....	56
SECTION 1202. Evidence of Signatures of Bondholders and Ownership of Bonds.....	61
SECTION 1203. Moneys Held for Particular Bonds.....	62
SECTION 1204. Preservation and Inspection of Documents.....	62
SECTION 1205. Parties Interested Herein .....	62
SECTION 1206. No Recourse on the Bonds.....	63
SECTION 1207. Publication of Notice; Suspension of Publication.....	63
SECTION 1208. Severability of Invalid Provisions.....	63
SECTION 1209. Holidays .....	63
SECTION 1210. Capital Appreciation Bonds; Convertible Capital Appreciation Bonds ..	63
ARTICLE XIII BOND FORM AND EFFECTIVE DATE .....	64
SECTION 1301. Form of Bonds, Trustee's Certificate of Authentication.....	64
SECTION 1302. Escheat Provision.....	69
SECTION 1303. Governing Law .....	69
SECTION 1304. Effective Date .....	69

## 2012 TRANSPORTATION PROGRAM BOND RESOLUTION

ADOPTED OCTOBER 26, 2012

WHEREAS, the Transportation Trust Fund Authority (the "Authority") was established and exists pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984, L. 1984, c. 73, as amended and supplemented (the "Act"), including by L. 2012, c. 13 (the "2012 Legislation"); and

WHEREAS, the Act provides that there exists an urgent need for a stable and assured method of financing the planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of New Jersey's transportation system and that unless additional State funding is provided immediately for New Jersey's transportation system, the cost of repair and reconstruction will increase geometrically and the economic well-being and safety of users of the State's transportation system will be endangered; and

WHEREAS, in 1984 the Act established an arrangement whereby the State's share of the costs related to the reconstruction and repair of New Jersey's transportation system could be financed; and

WHEREAS, the funding of New Jersey's transportation system has been undertaken previously through the issuance of the Authority's Transportation System Bonds (the "Prior Bonds"), under the Authority's 1995 Transportation System Bond Resolution, as amended and supplemented (the "1995 Bond Resolution"); and

WHEREAS, the 2012 Legislation provides for, among other things, (i) the authorization of the "Transportation Program Bonds," in such amounts for such years as set forth in the 2012 Legislation; (ii) the provision of the payment of debt service on the Transportation Program Bonds only from certain constitutionally dedicated sources, and (iii) changes to the Joint Budget Oversight Committee's review of certain bonding by the Authority; and

WHEREAS, pursuant to the 2012 Legislation, the debt service on the Authority's Transportation Program Bonds will be payable solely from revenues dedicated pursuant to Article VIII, Section II, paragraph 4 of the Constitution of the State of New Jersey (the "State Constitution") and deposited into the "Transportation Trust Fund Account – Subaccount for Debt Service for Transportation Program Bonds;" and

WHEREAS, such constitutionally dedicated revenues shall consist of (i) a portion of the amount equivalent to the revenue derived from \$0.1.05 per gallon of the tax imposed on the sale of motor fuels pursuant to chapter 39 of title 54 of the Revised Statutes (the "Motor Fuels Tax"), and (ii) a portion of certain amounts derived from State revenues collected from (a) the tax on the gross receipts of the sale of petroleum products imposed pursuant to L. 1990, c. 42 (C.54:15B-1 et seq.) as amended and supplemented (the "Petroleum Products Tax"), and (b) the State tax imposed under the "Sales and Use Tax Act," pursuant to L. 1966, c. 30 (C.54:32B-1 et seq.) as amended and supplemented (the "Sales and Use Tax"), all of which are subject and subordinate to certain appropriations and uses of the revenues as set forth in the State Constitution; and



WHEREAS, pursuant to the 2012 Legislation, the debt service on the Authority's Transportation Program Bonds is payable from the following statutorily dedicated sources as set forth in N.J.S.A. 27:1B-20, as amended by the 2012 Legislation, which sources are also constitutionally dedicated: a portion of an amount equivalent to the revenue derived from (i) \$0.105 per gallon from the Motor Fuels Tax; (ii) the Petroleum Products Tax; and (iii) the tax imposed under the "Sales and Use Tax Act," L. 1966, c. 30 (C. 54:32B-1 et seq.) on the sale of new motor vehicles (the "Sales and Use Tax on the Sale of New Motor Vehicles"); and

WHEREAS, in order to implement the new financing arrangement provided for in the 2012 Legislation, and to secure the obligations of the Authority to be incurred, the Authority wishes to adopt the following 2012 Transportation Program Bond Resolution;

NOW THEREFORE BE IT RESOLVED by the Authority as follows:

## ARTICLE I

### DEFINITIONS AND STATUTORY AUTHORITY

**SECTION 101. Definitions.** The following terms shall, for all purposes of the Resolution, have the following meanings:

**Account or Accounts** shall mean, as the case may be, each or all of the Accounts established or to be established pursuant to Section 502.

**Accountant's Certificate** shall mean a certificate signed by an independent certified public accountant of recognized standing or a firm of independent certified public accountants of recognized standing, selected by the Authority, which may be the accountant or firm of accountants which regularly audits the books of the Authority.

**Accreted Value** shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond at original issuance, plus the interest accrued on such Capital Appreciation Bond from the date of its original issuance to the Accretion Date next preceding the date of computation or the date of computation if a Accretion Date, such interest to accrue at the interest rate per annum of the Capital Appreciation Bonds set forth in the Supplemental Resolution or Series Certificate authorizing such Capital Appreciation Bonds, compounded on each Accretion Date in each year, plus, with respect to matters related to the payment upon redemption or acceleration of the Capital Appreciation Bonds, if such date of computation shall not be a Accretion Date, a portion of the difference between the Accreted Value as of the immediately preceding Accretion Date (or the date of original issuance if the date of computation is prior to the first Accretion Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Accretion Date, calculated based upon an assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on such basis as shall be set forth in the Supplemental Resolution or Series Certificate authorizing the Series of which such Capital Appreciation Bond is a part.

**Accretion Date** shall mean, with respect to any Series of Convertible Capital Appreciation Bonds or Capital Appreciation Bonds, the dates set forth in the Supplemental Resolution or Series Certificate authorizing such Series of Bonds as of which interest accrued on the Bonds of such Series shall be added to the Appreciated Value or Accreted Value, as the case may be, of the Bonds of such Series, which dates shall be Interest Payment Dates for the Bonds of such Series.

**Act** shall mean the New Jersey Transportation Trust Fund Authority Act of 1984, constituting Chapter 73, Laws of New Jersey of 1984, as heretofore or hereafter from time to time amended and supplemented, including by, without limitation, L. 2012, c.13.

**Aggregate Debt Service** for any period shall mean, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series.

**Appreciated Value** shall mean (i) as of any date of computation with respect to any Convertible Capital Appreciation Bond prior to the Interest Commencement Date set forth in the Supplemental Resolution or Series Certificate authorizing such Convertible Capital Appreciation Bond, an amount equal to the principal amount of such Convertible Capital Appreciation Bond at original issuance plus the interest accrued on such Convertible Capital Appreciation Bond from the date of original issuance of such Bond to the Accretion Date next preceding the date of computation or the date of computation if a Accretion Date, such interest to accrue at the rate per annum of the Convertible Capital Appreciation Bonds set forth in the Supplemental Resolution or Series Certificate authorizing such Convertible Capital Appreciation Bond, compounded semi-annually on each Accretion Date, plus, if such date of computation shall not be a Accretion Date, a portion of the difference between the Appreciated Value as of the immediately preceding Accretion Date (or the date of original issuance if the date of computation is prior to the first Accretion Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Accretion Date calculated based upon an assumption that Appreciated Value accrues during any period in equal daily amounts on such basis as shall be set forth in the Supplemental Resolution or Series Certificate authorizing the Series of which such Convertible Capital Appreciation Bond is part, and (ii) as of any date of computation on and after the Interest Commencement Date the Appreciated Value on the Interest Commencement Date.

**Authority** shall mean the New Jersey Transportation Trust Fund Authority, a public body corporate and politic created and existing under and by virtue of the Act, and any board, body, authority, agency or political subdivision or other instrumentality of the State which shall hereafter succeed to the powers, duties and functions thereof.

**Authority Program Reserve Fund** shall mean the Authority Reserve Fund for Transportation Program Bonds established in Section 502.

**Authorized Newspaper** shall mean a financial newspaper customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the Borough of Manhattan, City and State of New York.

**Authorized Officer of the Authority** shall mean the Chairperson, Vice-Chairperson, Treasurer, Secretary or Executive Director of the Authority or any other person or persons

designated by the Authority by resolution to act on behalf of the Authority under the Resolution. The designation of such person or persons shall be evidenced by a written, certificate containing the specimen signature of such person or persons and signed on behalf of the Authority by an Authorized Officer of the Authority.

**Bond or Bonds** shall mean any bonds, including Refunding Bonds, notes or Other Obligations, (other than Subordinated Debt), authenticated and delivered under and pursuant to the Resolution; provided, however, that as used in Articles III and IV hereto, the term "Bonds" shall not include Other Obligations.

**Bond Counsel** shall mean any lawyer or firm of lawyers nationally recognized in the field of municipal finance and satisfactory to the Authority.

**Bond Payment Obligations** shall mean the Authority's obligation to pay the principal or Redemption Price of and interest on the Bonds, including Bonds held by Financing Facility Providers and Liquidity Providers.

**Bond Registrar** shall mean the Trustee and any other bank or trust company organized under the laws of any state of the United States of America or national banking association appointed by the Authority to perform the duties of Bond Registrar enumerated in Sections 304 and 703.

**Bondholder or Holder of Bonds or Holder** shall mean any person who shall be the registered owner of any Bond or Bonds. A Financing Facility Provider or Liquidity Provider which owns Bonds by purchase or is subrogated to the rights of Bondholders is a Bondholder for purposes of this Resolution.

**Business Day** shall mean any day that is not a Saturday, Sunday or legal holiday in the State (or the state in which the principal office of the Trustee is located) or a day on which banking institutions chartered by the State (or the state in which the principal office of the Trustee is located) or the United States are legally authorized or required to close or a day on which the New York Stock Exchange is closed.

**Capital Appreciation Bonds** shall mean those Bonds as to which interest is compounded on each of the applicable Accretion Dates designated for compounding and payable in an amount equal to the then current Accreted Value only at the maturity, earlier redemption or other payment date therefor, all as so designated by the Supplemental Resolution or Series Certificate relating to the issuance thereof.

**Code** shall mean the Internal Revenue Code of 1986, as amended.

**Commissioner** shall mean the Commissioner of the New Jersey Department of Transportation.

**Convertible Capital Appreciation Bonds** shall mean any Bonds as to which accruing interest is not paid prior to the Interest Commencement Date specified in the Supplemental Resolution or Series Certificate authorizing such Bonds and the Appreciated Value for such Bonds is compounded on each of the applicable Accretion Dates designated for compounding prior to the

Interest Commencement Date for such Convertible Capital Appreciation Bonds, all as so designated by the Supplemental Resolution or Series Certificate relating to the issuance thereof.

**Debt Service** shall mean, with respect to any Series and with respect to each Payment Date for such Series, the principal and Redemption Price of and accrued interest coming due and payable on such Series on such Payment Date.

**Defeasance Securities** shall mean (i) any direct and general obligations of, or any obligations unconditionally guaranteed by, the United States of America, including but not limited to interest obligations of the Resolution Funding Corporation or any successor thereof, (ii) any obligations of any state or political subdivision of a state (“Refunded Bonds”) which are fully secured as to principal and interest by an irrevocable pledge of moneys or direct and general obligations of, or obligations unconditionally guaranteed by, the United States of America, which moneys or obligations are segregated in trust and pledged for the benefit of the holders of the Refunded Bonds, (iii) certificates of ownership of the principal or interest of direct and general obligations of, or obligations guaranteed by, the United States of America, which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System, (iv) obligations described in clause (ii) of the definition of “Investment Securities” and (v) obligations described in clause (x) of the definition of “Investment Securities” which are rated, at the time of purchase, in the highest rating category, without regard to rating sub-categories, by any two Rating Agencies then rating the Bonds.

**Depository** shall mean any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by the Authority as a depository of moneys and securities held under the provisions of the Resolution and may include the Trustee.

**Event of Default** shall have the meaning given to such term in Section 801.

**Event of Non-Appropriation** shall be deemed to have occurred hereunder if the Legislature shall fail to appropriate funds to the Authority for any Fiscal Year in an amount sufficient to pay, when due, the Authority’s Bond Payment Obligations and Financing Facility Payment Obligations coming due in such Fiscal Year.

**Fiduciary or Fiduciaries** shall mean the Trustee, the Depositories, the Paying Agents, the Bond Registrar, the Calculation Agent, the Tender Agent or any or all of them, as may be appropriate.

**Financing Facility** shall mean any revolving credit agreement, agreement establishing a line of credit or letter of credit, reimbursement agreement, interest rate exchange agreement, insurance contract, surety bond, commitment to purchase or sell bonds, purchase or sale agreement, or commitments or other contracts or agreements and other security agreements, including Swap Agreements and Liquidity Facilities, approved by the Authority in connection with the Bonds.

**Financing Facility Payment Obligations** shall mean all payment and reimbursement obligations of the Authority to a Financing Facility Provider in connection with any Financing Facility securing or entered into in connection with all or a portion of any Series of Bonds.

**Financing Facility Provider** shall mean the issuer or provider of a Financing Facility.

**Financing Facility Revenues** shall mean all amounts received by the Authority or the Trustee pursuant to any Financing Facility.

**Fiscal Year** shall mean the fiscal year of the State which presently includes the twelve (12) month period commencing July 1 of each year and ending on the succeeding June 30.

**Fitch** shall mean Fitch, Inc.

**Fund or Funds** shall mean, as the case may be, each or all of the Funds established in Section 502.

**Interest Commencement Date** shall mean, with respect to any particular Convertible Capital Appreciation Bond, the date, which must be an Interest Payment Date, specified in the Supplemental Resolution or Series Certificate authorizing such Bond (which date must be prior to the maturity date for such Bond) after which interest accruing on such Bond shall be payable semiannually, with the first such payment date being the applicable Interest Payment Date immediately succeeding such Interest Commencement Date.

**Interest Payment Date** shall mean, with respect to a Series of Bonds, each date set forth in the Supplemental Resolution or Series Certificate authorizing such Series of Bonds on which accrued interest on the Bonds of such Series shall be payable.

**Investment Agreement** shall mean an investment agreement with (i) a commercial bank or trust company or a national banking association in any case having a capital stock and surplus of more than \$100,000,000, or (ii) an insurance company with the highest rating provided by A.M. Best Company, or (iii) a corporation; provided that the credit of such commercial bank or trust company or national banking association, insurance company or corporation, as the case may be, is rated (or, in the case of a corporation, whose obligations thereunder are guaranteed by a corporation whose credit is rated) not lower than the rating category of any two Rating Agencies then rating the Bonds required to maintain the rating then in effect or to obtain the rating to be obtained on the Bonds in respect of which such Investment Agreement is entered into, which agreement provides for the investment of funds held in the Funds and Accounts, which funds shall be collateralized by at least one hundred two percent (102%) in principal amount of Investment Securities, as the same may be amended from time to time.

**Investment Securities** shall mean and include any of the following securities, if and to the extent the same are at the time legal for investment of the Authority's funds.

- (i) Defeasance Securities;
- (ii) Bonds, debentures, notes or other evidences of indebtedness issued by any agency or instrumentality of the United States to the extent such obligations are unconditionally guaranteed by the United States or by another such agency the obligations (including guarantees) of which are unconditionally guaranteed by the United States;
- (iii) Bonds, debentures notes or other evidences of indebtedness issued by any corporation chartered by the United States, including, but

not limited to, Governmental National Mortgage Association, Federal Land Banks, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Tennessee Valley Authority, United States Postal Service, Farmers Home Administration, Resolution Funding Corporation, Export-Import Bank, Federal Financing Bank and Student Loan Marketing Association;

- (iv) Negotiable or non-negotiable certificates of deposit (or other time deposit arrangements) issued by any bank, trust company or national banking association, including a Fiduciary, which certificates of deposit shall be continuously secured or collateralized by obligations described in subparagraphs (i) or (ii) of this definition, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Trustee, as custodian, by the bank, trust company or national banking association issuing such certificates of deposit;
- (v) Uncollateralized negotiable or non-negotiable certificates of deposit (or other time deposit arrangements) issued by any bank, trust company or national banking association, the unsecured obligations of which are rated, at the time of purchase, in one of the two highest rating categories, without regard to rating sub-categories, by any two Rating Agencies;
- (vi) Repurchase agreements collateralized by obligations described in subparagraphs (i), (ii) or (iii) of this definition with any registered broker/dealer subject to the Securities Investors Protection Corporation jurisdiction, which has an uninsured, unsecured and unguaranteed obligation rated in one of the two highest rating categories, without regard to rating sub-categories, by any two Rating Agencies, or any commercial bank with the above ratings, provided:
  - (a) a master repurchase agreement or specific written repurchase agreement governs the transaction, which characterizes the transaction as a purchase and sale of securities,
  - (b) the securities are held, free and clear of any lien, by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (i) a Federal Reserve Bank, (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$75,000,000 or (iii) a bank approved in writing for such purpose by each

Financing Facility Provider, if any, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee,

- (c) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 CFR 306.1 et seq. or 31 CFR 350.0 et seq. or a successor provision in such securities is created for the benefit of the Trustee,
  - (d) the repurchase agreement has a term of six months or less, or the Trustee will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two Business Days of such valuation,
  - (e) the repurchase agreement matures or may be drawn upon in full on or before a Payment Date (or, if held in a Fund other than the Program Debt Service Fund, other appropriate liquidation period), and
  - (f) the fair market value of the securities in relation to the amount of the repurchase obligation is equal to the collateral levels established by a Rating Agency for the rating assigned by the Rating Agency to the seller.
- (vii) Banker's acceptances, eurodollar deposits and certificates of deposit (in addition to the certificates of deposit provided for by subparagraphs (iv) and (v) above) of the domestic branches of foreign banks having a capital and surplus of \$1,000,000,000 or more, or any bank or trust company organized under the laws of the United States of America or Canada, or any state or province thereof, having capital and surplus, in the amount of \$1,000,000,000; provided that the aggregate maturity value of all such banker's acceptances and certificates of deposit held at any time as investments of Funds under this Resolution with respect to any particular bank, trust company, or national association shall not exceed 5% of its capital and surplus; and provided further than any such bank, trust company, or national association shall be rated in one of the two highest rating categories, without regard to rating sub-categories, by any two Rating Agencies;
- (viii) Other obligations of the United States of America or any agency thereof which may then be purchased with funds belonging to the State of New Jersey or which are legal investments for savings

banks in the State of New Jersey;

- (ix) Deposits in the New Jersey Cash Management Fund;
- (x) Obligations of any state, commonwealth or possession of the United States or a political subdivision thereof or any agency or instrumentality of such a state, commonwealth, possession or political subdivision, provided that at the time of their purchase such obligations are rated in either of the two highest rating categories, without regard to rating sub-categories, by any two Rating Agencies then rating the Bonds;
- (xi) Commercial paper with a maturity date not in excess of 270 days rated by the Rating Agencies at least equal to the rating assigned by the Rating Agencies to the applicable Series of Bonds and in no event lower than the "A" category established by a Rating Agency (which may include sub-categories indicated by plus or minus or by numbers) at the time of such investment, issued by an entity incorporated under the laws of the United States or any state thereof;
- (xii) Shares of a diversified open-end management investment company as defined in the Investment Company Act of 1940, which is a money market fund, which is then rated in any of the three highest rating categories by each Rating Agency which is then rating the Bonds or money market accounts of the Trustee or any bank or trust company organized under the laws of the United States or any state thereof which has a combined capital and surplus of not less than \$75,000,000;
- (xiii) Investment contracts (a) providing for the future purchase of securities of the type described in (i), (ii), (iii) and (viii) above, which contracts have been approved for sale by a national securities exchange and all regulatory authorities having jurisdiction or (b) the obligor under which or the guarantor thereof shall have a credit rating such that its long term debt is rated in one of the two highest rating categories, without regard to rating sub-categories, by any two Rating Agencies then rating the Bonds;
- (xiv) Investment Agreements; and
- (xv) Any other investment approved in writing by the Treasurer.

**Legislature** shall mean New Jersey State Legislature.

**Liquidity Facility** shall mean any letter of credit, line of credit or standby loan commitment or similar arrangement made available to fund repurchases of Variable Interest Rate Bonds or Subordinated Debt upon maturity or mandatory or optional tender of such obligations,



approved by the Authority in connection with the Variable Interest Rate Bonds; such Liquidity Facility may be part of, or separate from, any other Financing Facility supporting such obligations.

**Liquidity Provider** shall mean the issuer of a Liquidity Facility.

**Maximum Interest Rate** shall mean, with respect to any particular Variable Interest Rate Bond, a numerical rate of interest, which shall be set forth in the Supplemental Resolution or Series Certificate authorizing such Variable Interest Rate Bond that shall be the maximum rate of interest such Variable Interest Rate Bond may at any time bear.

**Month** shall mean a calendar month.

**Moody's** shall mean Moody's Investors Service.

**Non Proceeds Account** shall mean the Non Proceeds Account within the Transportation Program Improvement Fund established in Section 502.

**Opinion of Counsel or Opinion** shall mean an opinion signed by an attorney or firm of attorneys of recognized standing in the field of law relating to municipal bonds (who may be general, special or Bond Counsel to the Authority).

**Option Bonds** shall mean Bonds which by their terms may be tendered by and at the option of the Holders thereof for payment by the Authority prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the Holder thereof.

**Other Obligations** shall mean bank loan agreements, lines of credit and other security agreements, and any other form of indebtedness which the Authority is authorized to enter into or obtain to provide direct payment of any costs which the Authority is authorized to pay pursuant to the Act.

**Outstanding** when used with reference to Bonds, shall mean, as of any date, Bonds theretofore or thereupon being authenticated and delivered under the Resolution except:

- (i) Bonds cancelled by the Trustee at or prior to such date;
- (ii) Bonds (or portions of Bonds) for the payment or redemption of which moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under the Resolution and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given or provisions satisfactory to the Trustee shall have been made for the giving of such notice as provided in Article IV;

- (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III or Section 406 or Section 1106;
- (iv) Bonds deemed to have been paid as provided in subsections 2 or 3 of Section 1201; and
- (v) Option Bonds deemed tendered in accordance with the provisions of the Supplemental Resolution or Series Certificate authorizing such Option Bonds on the applicable tender date, if interest thereon shall have been paid through such applicable date and the purchase price thereof shall have been paid or amounts are available for such payment as provided in the Resolution.

**Parity Financing Facility Payment Obligations** shall mean Financing Facility Payment Obligations which, by the terms of the Supplemental Resolution or Series Certificate authorizing the Financing Facility to which such Financing Facility Payment Obligations relate, are on a parity with the Bond Payment Obligations.

**Paying Agent** shall mean any bank or trust company organized under the laws of any state of the United States of America or any national banking association designated as paying agent for the Bonds of any Series, and its successors hereafter appointed in the manner provided in the Resolution.

**Payment Date** shall mean each date on which any payment of principal or Redemption Price or interest with respect to any Bonds or payment of any Financing Facility Payment Obligations shall be due and payable.

**Pledged Property** shall mean (a) with respect to the Bond Payment Obligations and, to the extent provided in any Supplemental Resolution or Series Certificate authorizing a Series which is to be secured, in whole or in part, by, or payable, in whole or in part, from, a Financing Facility, the applicable Financing Facility Payment Obligations, the State Contract, the Revenues and Funds, other than the Program Rebate Fund and the Proceeds Account of the Transportation Program Improvement Fund, including Investment Securities held in any such Fund hereunder, 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 Bonds in accordance with the terms and provisions of this Resolution, (b) with respect to any Series of Bonds in connection with which the Authority has obtained a Financing Facility, and to the extent provided in the applicable Supplemental Resolution or Series Certificate, the applicable Financing Facility and Financing Facility Revenues and all moneys from time to time held in any applicable subaccount within the Program Debt Service Fund and (c) with respect to any Subordinated Debt, the amounts, if any, on deposit from time to time in the Program Subordinated Debt Fund and available for such payment.

**Proceeds Account** shall mean the Proceeds Account within the Transportation Program Improvement Fund established in Section 502.

**Program Debt Service Fund** shall mean the Debt Service Fund for Transportation Program Bonds established in Section 502.

**Program Rebate Fund** shall mean the Rebate Fund for Transportation Program Bonds established in Section 502.

**Program Subordinated Debt Fund** shall mean the Subordinated Debt Fund for Transportation Program Bonds established in Section 502.

**Program Subordinated Payment Obligations Fund** shall mean the Subordinated Payment Obligations Fund for Transportation Program Bonds established in Section 502.

**Rating Agency** shall mean, to the extent applicable, S&P and any successor thereto, if it has assigned a rating to any Bonds at the request of the Authority, Moody's and any successor thereto, if it has assigned a rating to any Bonds at the request of the Authority, Fitch and any successor thereto, if it has assigned a rating to any Bonds at the request of the Authority or any other nationally recognized bond rating agency and any successor thereto if it has assigned a rating to any Bonds at the request of the Authority.

**Record Date** shall mean with respect to an Interest Payment Date for a particular Series of Bonds, unless otherwise provided by the Supplemental Resolution or Series Certificate authorizing such Series, the fifteenth day next preceding such Interest Payment Date.

**Redemption Price** shall mean, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Resolution.

**Refunding Bonds** shall mean all Bonds, whether issued in one or more Series, authenticated and delivered on original issuance pursuant to Section 203, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Section 406 or Section 1106.

**Related Swap Bonds** shall mean, with respect to and during the term of any Swap Agreement, the Bonds to which such Swap Agreement relates, as specified in the applicable Supplemental Resolution or Series Certificate authorizing such Swap Agreement or any subsequent Supplemental Resolution or Series Certificate.

**Related Swap Bond Payment Obligations** shall mean, with respect to any Related Swap Bonds, that portion of the interest on such Bonds payable from Swap Revenues as set forth in the applicable Supplemental Resolution or Series Certificate.

**Resolution** shall mean this 2012 Transportation Program Bond Resolution as from time to time amended or supplemented by Supplemental Resolutions and Series Certificates in accordance with the terms hereof.

**Revenues** shall mean (i) all amounts appropriated and paid to the Authority from the Transportation Trust Fund Account - Subaccount for Debt Service for Transportation Program Bonds in the State General Fund pursuant to the Act, (ii) all amounts appropriated and paid to the

Authority by the Treasurer pursuant to the State Contract, (iii) all Swap Revenues, and (iv) interest received or to be received on any moneys or securities held pursuant to the Resolution and paid or required to be paid into the Transportation Program Improvement Fund – Non Proceeds Account; provided, however, that the term “Revenues” shall not include Financing Facility Revenues or “Revenues” as defined in any other resolution of the Authority.

**S&P** shall mean Standard & Poor’s Rating Group.

**Series** shall mean all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Supplemental Resolution authorizing such Bonds as a separate Series of Bonds and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Section 406 or Section 1106, regardless of variations in maturity, interest rate, redemption provisions or other provisions.

**Series Certificate** shall mean a certificate executed by an Authorized Officer of the Authority making certain determinations in connection with the issuance of a Series of Bonds or Subordinated Debt pursuant to the Supplemental Resolution providing for, among other items, the issuance of such Series of Bonds or Subordinated Debt. Each Series Certificate, upon execution and delivery, shall be deemed to be a part of the applicable Supplemental Resolution.

**State** shall mean the State of New Jersey.

**State Contract** shall mean the Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act with respect to Transportation Program Bonds to be entered into among the Treasurer, the Commissioner and the Authority prior to the issuance of the first Series of Bonds under this Resolution, together with any and all amendments and supplements thereto, and any other contract or contracts entered into by the Authority and the State or officers of the State pursuant to the Act which contract or contracts provide) among other things, for the credit of amounts to the Transportation Trust Fund Account - Subaccount for Debt Service for Transportation Program Bonds and for payment, subject to appropriation, to the Authority of the amounts so credited pursuant to the Act.

**State Transportation System Costs** shall mean any and all purposes for which the Authority is authorized to issue Bonds and Subordinated Debt pursuant to the Act.

**Subordinated Debt** shall mean indebtedness issued pursuant to and complying with the provisions of Section 512.

**Subordinated Financing Facility Payment Obligations** shall mean Financing Facility Payment Obligations which, by the terms of the Supplemental Resolution or Series Certificate authorizing the Financing Facility to which such Financing Facility Payment Obligations relate, are subject and subordinate to the Bond Payment Obligations.

**Supplemental Resolution** shall mean any resolution supplemental to or amendatory of the Resolution adopted by the Authority in accordance with Article X hereof.

**Swap Agreement** shall mean any agreement between the Authority and a Swap Provider confirming a transaction which is a rate swap transaction, basis swap, forward rate transaction,

bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, corridor transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of these transactions, approved by the Authority and the Treasurer in connection with the Bonds.

**Swap Payment Obligations** shall mean, for any period of time and with respect to any Related Swap Bonds, all net amounts payable by the Authority (including Swap Termination Payments payable by the Authority) under any Swap Agreement in respect of such Related Swap Bonds.

**Swap Provider** shall mean the Authority's or the Trustee's counterparty under a Swap Agreement.

**Swap Revenues** shall mean all amounts received by the Authority or the Trustee pursuant to any Swap Agreement, including without limitation any Swap Termination Payment.

**Swap Revenues Subaccount** shall mean the Swap Revenues Subaccount within the Program Debt Service Fund established in Section 506.

**Swap Termination Payment** shall mean, with respect to any Swap Agreement, any settlement amount payable by the applicable Swap Provider or the Authority by reason or on account of the early termination of such Swap Agreement. The term "Swap Termination Payment" shall not include net unpaid amounts which would have been payable by the Swap Provider or the Authority pursuant to the terms of the applicable Swap Agreement irrespective of the early termination of such Swap Agreement.

**Transportation Program Improvement Fund** shall mean the Transportation Improvement Fund for Transportation Program Bonds established in Section 502.

**Treasurer** shall mean the Treasurer of the State of New Jersey.

**Trustee** shall mean the Trustee to be appointed pursuant to the Series Certificate authorizing the first Series of Bonds to be issued under the Resolution, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Resolution.

**Variable Interest Rate** shall mean a variable interest rate to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds. The method of computing such variable interest rate shall be as specified in the Supplemental Resolution or Series Certificate authorizing such Series of Bonds.

**Variable Interest Rate Bonds** for any period of time, shall mean Bonds which during such period bear a Variable Interest Rate, provided that Bonds the interest rate on which shall have been fixed for the remainder of the term thereof shall no longer be Variable Interest Rate Bonds.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, districts, agencies and bodies.

**SECTION 102. Authority for the Resolution.** This Resolution is adopted pursuant to the provisions of the Act.

**SECTION 103. Resolution to Constitute Contract.**

(a) In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time the Resolution shall be deemed to be and shall constitute a contract between the Authority and the Holders from time to time of the Bonds; and the security interest granted and the pledge and assignment made in the Resolution and the covenants and agreements therein set forth to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, all except as expressly provided in or permitted by the Resolution.

(b) To the extent provided in any Supplemental Resolution or Series Certificate authorizing a Series of Bonds, (i) any and all Bonds of such Series may be secured by and payable from, in whole or in part, a Financing Facility, (ii) the security interest granted and the pledge and assignment made in the Resolution may also secure, on a parity with or subject and subordinate to, all other Bonds issued under the Resolution, the Authority's Financing Facility Payment Obligations with respect thereto, provided however, that the aggregate amount of indebtedness which may be secured by this Resolution with respect to any Series of Bonds on a parity with all other Bonds issued or to be issued under the Resolution may not exceed the aggregate principal amount of, premium, if any, and interest on the Bonds of such Series, and (iii) Related Swap Bond Payment Obligations may be payable solely from the applicable Swap Revenues, and such Swap Revenues may be pledged solely to and shall be applied solely for the payment of such Related Swap Bond Payment Obligations.

(c) To the extent provided in any Supplemental Resolution or Series Certificate, or any other resolution of the Authority, authorizing the issuance of Subordinated Debt meeting the requirements set forth in Section 512, the security interest granted and the pledge and assignment made in the Resolution may also secure such Subordinated Debt but only to the extent of amounts if any, from time to time on deposit in the Program Subordinated Debt Fund and available for payment of Subordinated Debt, and subject and subordinate to the security interest granted and the pledge and assignment of such amounts made in the Resolution for the benefit of the Bonds and the Financing Facility Payment Obligations.

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF BONDS AND SUBORDINATED DEBT

#### SECTION 201. Authorization of Bonds.

1. The Authority is hereby authorized to issue from time to time, as hereinafter provided, Bonds of the Authority to be designated as "Transportation Program Bonds," or in the case of notes or Other Obligations, such designation as shall be set forth in the Supplemental Resolution or Series Certificate authorizing such notes or Other Obligations. The aggregate principal amount of the Bonds and Subordinated Debt which may be executed, authenticated and delivered under the Resolution is not limited except as the aggregate principal amount of Bonds and Subordinated Debt which may be executed, authenticated and delivered may be limited by the Act or any other applicable law.

2. The Bonds may be issued in one or more Series, and the designation thereof, in addition to the name "Transportation Program Bonds" (where applicable), shall include such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as the Authority may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

3. Nothing in the Resolution shall be deemed to preclude or prevent the consolidation into a single Series for purposes of issuance and sale of Bonds otherwise permitted by the Resolution to be issued at the same time in two or more separate Series, provided that solely for the purpose of satisfying the requirements of Section 202 or Section 203, as the case may be, the Bonds otherwise permitted by the Resolution to be issued as a separate Series shall be considered separately as if such Bonds were to be issued as a separate Series. In the event that separate Series are combined for purposes of issuance and sale, they may be issued under a single Supplemental Resolution notwithstanding any other provision of the Resolution.

#### SECTION 202. General Provisions for Issuance of Bonds.

1. All (but not less than all) the Bonds of each Series shall be executed by the Authority for issuance under the Resolution and, except as otherwise provided in any Supplemental Resolution or Series Certificate authorizing Other Obligations, delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the Authority or upon its order, but only upon the receipt by the Trustee, or in the case of Other Obligations provision by the Authority of:

(1) A copy of the Resolution certified by an Authorized Officer of the Authority;

(2) A copy of the Supplemental Resolution authorizing such Bonds and a copy of the Series Certificate, if any, relating to such Bonds. The Supplemental Resolution and the Series Certificate, if any, shall each be certified by an Authorized

Officer of the Authority, and shall, among other provisions, specify: (a) the authorized maximum principal amount, designation and Series of such Bonds; (b) the purposes for which such Series of Bonds are being issued, which shall be (i) the payment of State Transportation System Costs, (ii) the refunding of Bonds as provided in Section 203 or (iii) any other lawful purpose permitted under the Act; (c) the date, and the maturity date or dates, of the Bonds of such Series; (d) if any Bonds of such Series are current interest Bonds, the interest rate or rates or the method of calculation of the interest rate or rates of the Bonds of such Series and the Interest Payment Dates therefor, and if any Bonds of such Series are Capital Appreciation Bonds or Convertible Capital Appreciation Bonds, the Accreted Value or Appreciated Value, as the case may be, on each Accretion Date, and if any Bonds of such Series are Variable Interest Rate Bonds the Maximum Interest Rate for such Bonds, and the provisions, if any, as to the calculation or change of such Variable Interest Rates; (e) the denominations of, and the manner of dating, numbering and lettering, the Bonds of such Series; (f) the Redemption Price or Prices or prepayment price or prices, if any, and, subject to Article IV, the redemption or prepayment terms for the Bonds of such Series; (g) provisions for the sale of the Bonds of such Series; (h) the amount (or the method of determining the amount), if any, to be deposited from the proceeds of such Series of Bonds or other sources in the Program Debt Service Fund and provisions for the application thereof to the payment of all or a portion of the interest on such Series of Bonds or any other Series of Bonds; (i) the amount if any, to be deposited from the proceeds of such Series of Bonds in the Authority Program Reserve Fund; (j) the form of the Bonds of such Series and the form of the Trustee's certificate of authentication (if applicable), which forms shall be, respectively, substantially in the forms set forth in Section 1301, with such variations omissions or insertions as are required or permitted by the Resolution; (k) with regard to Option Bonds, provisions regarding tender and payment of the purchase price thereof; (l) provisions, if any, for furnishing a Financing Facility with respect to such Series; and (m) such other provisions as the Authority may deem necessary or desirable in connection with the issuance of such Series of Bonds. Notwithstanding the foregoing, the Authority may delegate to an Authorized Officer of the Authority the authority to determine by Series Certificate any of the matters that are required to be set forth in a Supplemental Resolution other than the maximum principal amount of the Bonds of such Series, the final maturity date of the Bonds of such Series and, if the Bonds of such Series are not to be sold by competitive sale, the maximum interest rate (whether or not the Bonds of such Series are Variable Interest Rate Bonds) or true interest cost with respect to such Bonds.

(3) An Opinion of Bond Counsel to the effect that (i) the Authority has the right and power under the Act to adopt the Resolution, to enter into the State Contract and to issue the Bonds of such Series; (ii) the Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms, and no other authorization for the Resolution is required; (iii) the Resolution creates the valid pledge which it purports to create of the Pledged Property; (iv) the Bonds of such Series have been duly and validly authorized and issued by the Authority in accordance with the Constitution and the statutes of the State, including the Act, and the Resolution, constitute valid and binding obligations of the Authority as provided in the Resolution and are entitled to the benefits of the Resolution and the Act, and are enforceable in accordance with their terms and the



terms of the Resolution; (v) the State Contract is in full force and effect and is valid and binding upon the Authority and the Treasurer and enforceable against the Authority and the Treasurer in accordance with its terms, and the Bonds of such Series are entitled to the benefits of the State Contract; provided, that such Opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws, judicial decisions and principles of equity affecting creditors' rights generally and judicial discretion and may state that no opinion is being rendered as to the availability of any particular remedy;

(4) A written order as to the delivery of such Bonds, signed by an Authorized Officer of the Authority;

(5) A certificate of an Authorized Officer of the Authority stating that the Authority is not, or upon the issuance of such Series of Bonds will not be, in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Resolution;

(6) With respect to each Series of Bonds a certificate of an Authorized Officer of the Authority stating that the issuance of such Series of Bonds will not result in the incurrence of debt by the Authority in the applicable Fiscal Year in excess of the amount of debt permitted to be incurred by the Authority in such Fiscal Year pursuant to the Act; and

(7) Such further documents, moneys, securities and evidences of deposit of funds with the Trustee as are required by the provisions of Section 203 or Article X or the Supplemental Resolution or Series Certificate authorizing such Series of Bonds.

2. After the original issuance of Bonds of any Series no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III or Section 406 or Section 1106.

### **SECTION 203. Refunding Bonds.**

1. One or more Series of Refunding Bonds may be issued at any time to refund Outstanding Bonds of one or more Series or one or more maturities within a Series or any Bonds of one or more maturities within one or more Series. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding including, without limitation, the payment of the costs of issuance of such Refunding Bonds) and to make the deposits in the Funds and Accounts under the Resolution required by the provisions of the Supplemental Resolution or Series Certificate authorizing such Refunding Bonds.

2. Refunding Bonds of each Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee in addition to the documents required by Section 202 of:

(1) Instructions to the Trustee, satisfactory to it, to give due notice of redemption, if applicable, of all the Bonds to be refunded on a redemption date or dates specified in such instructions;

(2) If the Bonds to be refunded are not by their terms subject to redemption or will not be redeemed within the next succeeding sixty (60) days, instructions to the Trustee, satisfactory to it, to mail the notice provided for in Section 1201 to the Holders of the Bonds being refunded; and

(3) Either (i) moneys (including moneys withdrawn and deposited pursuant to subsection 4 of Section 506) in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, or (ii) Defeasance Securities in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications and any moneys, as shall be necessary to comply with the provisions of subsection 2 of Section 1201, which Defeasance Securities and moneys shall be held in trust and used only as provided in said subsection 2; provided, however, that if the Authority determines, in its absolute discretion, to refund Variable Interest Rate Bonds without defeasing such Variable Interest Rate Bonds pursuant to subsection 1 or 2 of Section 1201, in applying this paragraph (3) to such Variable Interest Rate Bonds, interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the highest interest rate per annum borne by such Variable Interest Rate Bonds during the twelve (12) month period immediately preceding such date of determination, plus one percent (1.00%) per annum.

(4) Such further documents and moneys as are required by the provisions of Article X or any Supplemental Resolution or Series Certificate authorizing such Refunding Bonds.

3. The proceeds, including accrued interest, of the Refunding Bonds of each Series shall be applied simultaneously with the delivery of such Refunding Bonds for the purposes of making deposits in such Funds and Accounts under the Resolution as shall be provided by the Supplemental Resolution or Series Certificate authorizing such Series of Refunding Bonds and shall be applied to the refunding purposes thereof in the manner provided in said Supplemental Resolution or Series Certificate.

**SECTION 204. Subordinated Debt.** The Authority is hereby authorized to issue from time to time Subordinated Debt, the provisions for issuance and general terms and provisions of which shall be as set forth in the Supplemental Resolution or Series Certificate authorizing such Subordinated Debt, subject however, in all cases, to the provisions of Section 512.

### ARTICLE III

#### GENERAL TERMS AND PROVISIONS OF BONDS AND OTHER OBLIGATIONS

**SECTION 301. Medium of Payment: Form and Date; Letters and Numbers.**

1. The Bonds shall be payable, with respect to interest, principal and Redemption Price, 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.

2. The Bonds of each Series may be issued only in the form of fully registered Bonds without coupons, and unless otherwise authorized by a Supplemental Resolution or Series Certificate, the Bonds of each Series shall be in substantially the form set forth in Section 1301 or substantially in the form set forth in the Supplemental Resolution or Series Certificate authorizing such Series.

3. Each Bond shall be lettered and numbered as provided in the Resolution or the Supplemental Resolution or Series Certificate authorizing the Series of which such Bond is a part and so as to be distinguished from every other Bond.

4. Except as may be otherwise provided for any Series of Bonds in the Supplemental Resolution or Series Certificate authorizing such Series of Bonds the Bonds of each Series shall be dated as of the Interest Payment Date next preceding the date of authentication thereof by the Trustee, unless such date of authentication shall be an Interest Payment Date in which case they shall be dated as of such date of authentication; provided, however, that if, as shown by the records of the Trustee, interest on the Bonds of any Series shall be in default, the Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered; provided, further, that if the date of authentication shall be prior to the first Interest Payment Date for the Bonds of such Series Bonds shall be dated as provided in the Supplemental Resolution or Series Certificate authorizing the Bonds of such Series. Bonds of each Series shall bear interest from their date.

**SECTION 302. Legends.** The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the Authority prior to the authentication and delivery thereof.

### **SECTION 303. Execution and Authentication.**

1. The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chairperson, Vice Chairperson or Executive Director and its seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary, or in such other manner as may be required or permitted by law. In case any one or more of the officers of the Authority who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been authenticated and delivered by the Trustee such Bonds may nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond of a Series may be signed and sealed on behalf of the Authority by such persons as at the time of the execution of such Bonds shall be duly authorized or hold the proper office in the Authority, although at the date borne by the Bonds of such Series such persons may not have been so authorized or have held such office.

2. The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in Section 1301, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Authority shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under the Resolution and that the Holder thereof is entitled to the benefits of the Resolution.

#### **SECTION 304. Exchange, Transfer and Registry.**

1. The Bonds shall be transferable only upon the books of the Authority which shall be kept for such purposes at the principal corporate trust office of the Bond Registrar, by the registered owner thereof in person or by such registered owner's attorney duly authorized in writing, upon surrender thereof 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. Upon the transfer of any Bond the Authority shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, Series and maturity as the surrendered Bond. For purposes of the Resolution, Option Bonds which are required to be tendered pursuant to the provisions of the Resolution shall be deemed surrendered for transfer even though such Bonds have not been actually delivered.

2. The registered owner of any Bond or Bonds of one or more denominations shall have the right to exchange such Bond or Bonds for a new Bond or Bonds of any denomination as the same aggregate principal amount and Series and maturity (and if applicable, interest rate within a maturity) of the surrendered Bond or Bonds. Such Bond or Bonds shall be exchanged by the Authority for a new Bond or Bonds upon the request of the registered owner thereof in person or by such registered owner's attorney duly authorized in writing, upon surrender of such Bond or Bonds together with a written instrument requesting such exchange satisfactory to the Bond Registrar duly executed by the registered owner or such registered owner's duly authorized attorney.

3. The Authority and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the Authority as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for the payment of the purchase price of any Option Bond tendered to the Authority and for all other purposes, and all such payments so made to any such registered owner or upon such registered owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority nor any Fiduciary shall be affected by any notice to the contrary.

**SECTION 305. Regulations with Respect to Exchanges and Transfers.** In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. All Bonds surrendered in any such exchange or transfer shall forthwith be delivered to the Trustee and cancelled by the Trustee. For every such exchange or transfer of

Bonds whether temporary or definitive, the Authority or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the Authority nor the Bond Registrar shall be required (a) to exchange or transfer Bonds of any Series for a period beginning on the Record Date next preceding an Interest Payment Date for Bonds of a particular Series and ending on such Interest Payment Date, or for a period of fifteen days next preceding the date (as determined by the Trustee) of any selection of Bonds to be redeemed and thereafter until after the mailing of the notice of redemption, (b) to transfer or exchange any Bonds called for redemption or (c) to transfer or exchange any Option Bonds called for mandatory purchase.

**SECTION 306. Bonds Mutilated, Destroyed, Stolen or Lost.** If any Bond becomes mutilated or is lost, stolen or destroyed, the Authority may execute and the Trustee shall authenticate and deliver a new Bond of like Series, date of issue, maturity date, principal amount and interest rate per annum as the Bond so mutilated, lost, stolen or destroyed, provided that (i) in the case of such mutilated Bond, such Bond is first surrendered to the Authority, (ii) in the case of any such lost, stolen or destroyed Bond, there is first furnished evidence of such loss, theft or destruction satisfactory to the Authority together with indemnity satisfactory to the Authority and the Trustee (iii) all other reasonable requirements of the Authority are complied with, and (iv) expenses in connection with such transaction are paid by the Holder. Any Bond surrendered for transfer shall be cancelled. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under the Resolution, in any moneys or securities held by the Authority or any Fiduciary for the benefit of the Bondholders.

**SECTION 307. Temporary Bonds.**

1. Until the definitive Bonds of any Series are prepared, the Authority may execute, in the same manner as is provided in Section 303, and upon the request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions limitations and conditions as the definitive Bonds, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Authority at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds, the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, definitive Bonds of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to the Resolution.

2. All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

**SECTION 308. Other Obligations.** The general terms and provisions of any Other Obligations issued under this Resolution, including, but not limited to, any or all of the items set

forth in this Article III with respect to the issuance of Bonds shall be as set forth in the Supplemental Resolution or Series Certificate authorizing the issuance of such Other Obligations.

## ARTICLE IV

### REDEMPTION OF BONDS

**SECTION 401. Privilege of Redemption and Redemption Price.** Bonds subject to redemption prior to maturity pursuant to a Supplemental Resolution or a Series Certificate shall be redeemable, upon notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms in addition to the terms contained in this Article IV as may be specified in the Supplemental Resolution or Series Certificate authorizing such Series.

**SECTION 402. Redemption at the Election or Direction of the Authority.** In the case of any redemption of Bonds at the election or direction of the Authority, the Authority shall give written notice to the Trustee of its election or direction so to redeem, of the redemption date, of the Series, and of the principal amounts of the Bonds of each maturity (and, if applicable, interest rate within a maturity) of such Series to be redeemed (which Series, maturities, if applicable, interest rate within a maturity, and principal amounts thereof to be redeemed shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in the Resolution). Such notice shall be given at least forty (40) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section 405 provided, there shall be paid on or prior to the redemption date to the appropriate Paying Agents an amount which, in addition to other moneys, if any, available therefor held by such Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Bonds to be redeemed. The Authority shall promptly notify the Trustee in writing of all such payments by it to such Paying Agents.

**SECTION 403. Redemption Otherwise Than at the Authority's Election or Direction.** Whenever by the terms of the Resolution the Trustee is required or authorized to redeem Bonds otherwise than at the election or direction of the Authority, the Trustee shall (i) select the Bonds or portions of Bonds to be redeemed, (ii) give the notice of redemption and (iii) pay out of moneys available therefor the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, to the appropriate Paying Agents in accordance with the terms of this Article IV and, to the extent applicable, Sections 506 and 507.

**SECTION 404. Selection of Bonds to be Redeemed.** Unless otherwise provided in the Resolution, if less than all of the Bonds of like maturity of any Series shall be called for prior redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that the portion of any Bond (other than a Capital Appreciation Bond or Convertible Capital Appreciation Bond prior to its Interest Commencement Date) of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof, and that, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of \$5,000 denomination which is

obtained by dividing by \$5,000 the principal amount of such Bond to be redeemed in part. For purposes of this Section 404, if less than all of the Capital Appreciation Bonds or Convertible Capital Appreciation Bonds prior to their respective Interest Commencement Dates shall be called for prior redemption, the portion of any Capital Appreciation Bond or Convertible Capital Appreciation Bond of a denomination of more than \$5,000 due at maturity to be redeemed shall be in the amount due at maturity of \$5,000 or a multiple thereof, and, in selecting portions of such Capital Appreciation Bond or Convertible Capital Appreciation Bond for redemption, the Trustee shall treat such Capital Appreciation Bond or Convertible Capital Appreciation Bond as representing that number of Capital Appreciation Bonds or Convertible Capital Appreciation Bonds of \$5,000 amount due at maturity which is obtained by dividing the amount due at maturity of such Capital Appreciation Bond or Convertible Capital Appreciation Bond to be redeemed in part by \$5,000.

**SECTION 405. Notice of Redemption.** When the Trustee shall receive notice from the Authority of its election or direction to redeem Bonds pursuant to Section 402, and when redemption of Bonds is authorized or required pursuant to Section 403, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall specify the Series and maturities (and, if applicable, interest rate within a maturity) of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be mailed by the Trustee, postage prepaid, not less than twenty-five (25) days (or such other period as may be specified in the Supplemental Resolution or Series Certificate authorizing the Bonds to be redeemed) 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. Failure of the registered owner of any Bonds which are to be redeemed to receive any notice shall not affect the validity of the proceedings for the redemption of the Bonds.

If at the time of the mailing of notice of redemption, the Authority shall not have deposited with the Trustee or the Paying Agent, as applicable, moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is conditional and subject to the deposit of the redemption moneys with the Trustee or the Paying Agent, as applicable, on the Redemption Date, and such notice shall be of no effect unless such moneys are so deposited.

**SECTION 406. Payment of Redeemed Bonds.** Notice having been given in the manner provided in Section 405, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price, plus interest accrued and unpaid to the redemption date. If there shall be

called for redemption less than all of a Bond, the Authority shall execute and the Trustee shall authenticate and the Paying Agent shall deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, Bonds of like Series and maturity in any authorized denominations. If, on the redemption date, moneys for the redemption of all of the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents 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 Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

**SECTION 407. Adjustment of Sinking Fund Installments Upon Redemption of Bonds.** Upon any purchase or redemption (other than mandatory sinking fund redemption) of Bonds of any Series and maturity for which sinking fund redemption provisions shall have been established, there shall be credited toward each such sinking fund installment thereafter to become due, unless otherwise directed by the Authority, an amount bearing the same ratio to such sinking fund installment as the total principal amount of such Bonds so purchased or redeemed bears to the total amount of all such sinking fund installments to be so credited.

**SECTION 408. Redemption or Prepayment of Other Obligations.** Other Obligations shall be subject to redemption or prepayment at such times, if any, and subject to such terms and conditions as shall be set forth in the Supplemental Resolution or Series Certificate authorizing such Other Obligations.

**SECTION 409. Mandatory Tender for Purchase of Bonds in Lieu of Optional Redemption.** Whenever any Bonds are subject to redemption at the option of the Authority, the Authority may, upon written notice to the Trustee and the delivery of an opinion of Bond Counsel that such action will not adversely affect the tax-exempt status of any Outstanding Bonds, elect to call such Bonds for mandatory tender for purchase in lieu of optional redemption at a purchase price equal to the then applicable Redemption Price of such Bonds. The Authority shall give written notice to the Trustee of its election pursuant to this Section 409 not less than two (2) Business Days prior to the date on which the Trustee is required to give notice of such mandatory tender for purchase to the Bondholders (or such shorter period as shall be acceptable to the Trustee). The provisions of this Resolution or any Supplemental Resolution or Series Certificate applicable to the redemption of Bonds at the option of the Authority shall also apply to a mandatory tender for purchase of such Bonds in lieu of optional redemption at the Authority's election pursuant to this Section 4.09.

## ARTICLE V

### ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

**SECTION 501. The Pledge Effected by the Resolution.**



1. The Bonds are special obligations of the Authority payable solely from the Pledged Property. The Revenues and all other Pledged Property are hereby pledged and a security interest is herein granted to secure the payment of the Bond Payment Obligations and the Financing Facility Payment Obligations; provided, however, that the pledge and security interest herein granted to secure the Authority's obligation to pay Subordinated Financing Facility Payment Obligations shall be subject and subordinate to the pledge and security interest herein granted to secure Bond Payment Obligations and Parity Financing Facility Payment Obligations. This pledge shall be valid and binding from and after the time of delivery by the Trustee of the first Bond authenticated and delivered hereunder.

2. The Revenues and all other Pledged Property so pledged and then or thereafter received by the Authority shall immediately be subject to the lien of such pledge without any physical delivery or further act, and the lien of such pledge shall be valid and binding as against all persons having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such persons have notice thereof.

3. Nothing contained in this Section 501 shall be construed as limiting any authority granted to the Authority elsewhere in the Resolution to issue Subordinated Debt under the Resolution or any other resolution of the Authority or shall be deemed a limitation upon the authority of the Authority to issue bonds, notes or other Obligations under the Act secured by other income and funds other than the Revenues and other Pledged Property, including, without limitation, bonds, notes or other obligations secured by federal or State grants; provided, however, that the pledge and security interest herein granted to secure the Authority's obligation to pay Subordinated Debt shall be subject and subordinate to the pledge and security interest herein granted to secure Bond Payment Obligations and Parity Financing Facility Payment Obligations.

**4. BONDS, NOTES AND OTHER OBLIGATIONS OF THE AUTHORITY SHALL NOT BE A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY) AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE STATE OR OF ANY POLITICAL SUBDIVISION (OTHER THAN THE AUTHORITY) OR BE OR CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION BUT ALL BONDS, NOTES AND OBLIGATIONS SHALL BE PAYABLE SOLELY FROM THE REVENUES OR OTHER FUNDS PLEDGED OR AVAILABLE FOR THEIR PAYMENT UNDER THE RESOLUTION AND THE ACT. THE AUTHORITY HAS NO TAXING POWER.**

**5. THE INCURRENCE OF ANY OBLIGATION BY THE STATE OR THE TREASURER UNDER THE STATE CONTRACT, INCLUDING ANY AND ALL TRANSFERS AND PAYMENTS TO BE MADE THEREUNDER FROM THE GENERAL FUND OF THE STATE, SHALL BE SUBJECT TO AND DEPENDENT UPON APPROPRIATIONS BEING MADE FROM TIME TO TIME BY THE LEGISLATURE FOR THE PURPOSES SET FORTH THEREIN AND IN THE ACT. THE OBLIGATION OF THE STATE OR THE TREASURER TO PAY THE AMOUNTS PROVIDED FOR IN THE STATE CONTRACT SHALL NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE AND SHALL BE DEEMED EXECUTORY ONLY TO THE EXTENT OF MONEYS APPROPRIATED, AND NO LIABILITY SHALL BE INCURRED BY THE STATE OR THE TREASURER BEYOND THE MONEYS THEN APPROPRIATED. FOR ALL**

**PURPOSES OF THE STATE CONTRACT, THE REFERENCES TO THE STATE SHALL INCLUDE, WITHOUT LIMITATION, THE PRESENT AND ALL FUTURE LEGISLATURES OF THE STATE AND THE MEMBERS THEREOF.**

**SECTION 502. Establishment of Funds and Accounts.** The following Funds and accounts are hereby established:

- (1) Transportation Program Improvement Fund for Transportation Program Bonds, to be held by the Authority, in which shall be established two (2) accounts entitled the Non Proceeds Account and the Proceeds Account;
- (2) Program Debt Service Fund, to be held by the Trustee;
- (3) Program Subordinated Debt Fund, to be held by the Trustee;
- (4) Authority Program Reserve Fund, to be held by the Authority;
- (5) Program Subordinated Payment Obligations Fund, to be held by the Trustee; and
- (6) Program Rebate Fund, to be held by the Trustee.

**SECTION 503. Transportation Program Improvement Fund.** (a) There shall be paid into the Proceeds Account of the Transportation Program Improvement Fund the proceeds of any Transportation Program Bonds required to be so paid by the provisions of the Resolution or any Supplemental Resolution or Series Certificate. There shall be paid into the Non Proceeds Account of the Transportation Program Improvement Fund all other amounts required to be so paid by the provisions of the Resolution or any Supplemental Resolution or Series Certificate, and there may be paid into the Non Proceeds Account of the Transportation Program Improvement Fund, at the option of the Authority, any moneys received by the Authority from any source, unless required to be otherwise applied as provided by the Resolution or any Supplemental Resolution or Series Certificate. Amounts in the Transportation Program Improvement Fund shall be applied to pay State Transportation System Costs.

(b) All Revenues shall be promptly deposited by the Authority upon receipt thereof into the Non Proceeds Account of the Transportation Program Improvement Fund. All amounts deposited in the Transportation Improvement Program Fund shall be used and applied by the Authority in accordance with the Act, the Resolution and any Supplemental Resolution or Series Certificate.

**SECTION 504. Payments Into Certain Funds.**

1. On or before each Payment Date with respect to each Series of Bonds, the Authority shall pay, credit or transfer from the Non Proceeds Account of the Transportation Program Improvement Fund to the Trustee for deposit to the Program Debt Service Fund, the amount, if any, required so that the balance in said Fund shall equal the sum of the amounts of Debt Service on all Series of Bonds coming due on such Payment Date.

2. The Authority shall pay, credit or transfer from the Non Proceeds Account of the Transportation Program Improvement Fund to the Trustee for deposit into the Program Debt Service Fund the amount of any Financing Facility Payment Obligations on or before the due dates thereof.

3. Subject and subordinate at all times to the payments, credits or transfers required pursuant to paragraphs 1 and 2 of this Section 504, the Authority shall pay, credit or transfer from the Non Proceeds Account of the Transportation Program Improvement Fund to the Trustee for deposit into the Program Subordinated Debt Fund the amount of any principal, prepayment or redemption price, interest or other amounts payable in connection with any Subordinated Debt on or before the due dates thereof.

4. There shall be paid into the Authority Program Reserve Fund the amounts required to be so paid by the provisions of the Resolution or any Supplemental Resolution or Series Certificate.

5. The proceeds of each Series of Bonds issued under the Resolution shall be paid or deposited into such Funds or Accounts as shall be specified in the Supplemental Resolution or Series Certificate authorizing such Series of Bonds.

6. All Financing Facility Revenues shall be deposited in the Program Debt Service Fund and applied as provided in the Supplemental Resolution or Series Certificate pursuant to which the applicable Financing Facility was entered into or obtained.

7. The Authority and the Trustee shall transfer to the Program Rebate Fund such amounts from such Funds and Accounts and at such times as shall be specified in each arbitrage and tax certificate or similar certificate executed by the Authority in connection with the issuance of Bonds or Subordinated Debt or as otherwise advised in writing by Bond Counsel.

#### **SECTION 505. Program Debt Service Fund.**

1. The Trustee shall pay out of the Program Debt Service Fund to the respective Paying Agents as applicable (i) on or before each Interest Payment Date for any of the applicable Bonds, the amount required for the interest payable on such date; (ii) on or before the date when the principal of any applicable Bonds shall become due, the amount of principal coming due on such date; (iii) on or before any redemption date for the applicable Bonds, the amount required for the payment of the Redemption Price of and interest on such Bonds then to be redeemed; (iv) on or before any due date therefor the amount of any Parity Financing Facility Payment Obligation; and (v) as soon as reasonably practicable, the amount of any prior applicable Bond Payment Obligations which remain unpaid by reason of the occurrence of an Event of Non-Appropriation, together with, to the extent permitted by law, interest thereon at the rate then in effect on the applicable Bonds.

2. In the event of the refunding of any Bonds, the Trustee shall, if the Authority so directs, withdraw from the Program Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded and deposit such amounts with itself as Trustee to be held for the payment of the principal or Redemption Price, if applicable, of and interest on the Bonds being refunded; provided that such withdrawal shall not be

made unless immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to subsection 2 of Section 1201.

3. Amounts may be deposited by the Authority, in its sole discretion in the Program Debt Service Fund with respect to the Bonds of any Series and maturity to be applied by the Trustee, if so directed by the Authority, on the date specified by the Authority, which date shall be at least twenty-five days (or such shorter period as shall be acceptable to the Trustee or authorized in the applicable Supplemental Resolution or Series Certificate) prior to the maturity date or the date of any Sinking Fund Installment of any Bonds of such Series, to (i) the purchase of Bonds of such Series and maturity or (ii) the redemption at the applicable Redemption Price of such Bonds, if then redeemable by their terms. All purchases of any Bonds pursuant to this subsection 3 shall be made at prices not exceeding the applicable Redemption Price of such Bonds plus accrued interest, and such purchases shall be made by the Trustee as directed in writing from time to time by the Authority. All expenses in connection with the purchase or redemption of Bonds shall be paid by the Authority from the Authority Program Reserve Fund.

4. The Trustee shall establish within the Program Debt Service Fund a separate Account for each Series of Bonds. In addition, if provided in the Supplemental Resolution or Series Certificate authorizing any Series of Bonds with respect to which the Authority or the Trustee enters into or obtains a Financing Facility, the Trustee shall establish separate subaccounts within the Account established for the Bonds of such Series in the Program Debt Service Fund for the receipt and/or application of Financing Facility Revenues and the payment of the applicable Financing Facility Payment Obligations.

**SECTION 506. [Reserved].**

**SECTION 507. Program Subordinated Debt Fund.**

1. Subject to subsection 2 of this Section 507, the Trustee as directed by the Authority shall apply amounts in the Program Subordinated Debt Fund to the payment of the principal or redemption or prepayment price of and interest on each issue of Subordinated Debt and reserves therefor and to the payment of any Subordinated Financing Facility Payment Obligations in accordance with the provisions of, and subject to the priorities and limitations and restrictions provided in, the Supplemental Resolution or Series Certificate or other resolution or debt instrument authorizing each issue of Subordinated Debt.

2. Notwithstanding any other provisions of this Section 507, if on any Payment Date for any Series of Bonds the amount on deposit in the Program Debt Service Fund shall be less than the Debt Service and Parity Financing Facility Payment Obligations coming due on such Payment Date with respect to such Series of Bonds, after giving effect to the transfer to the Program Debt Service Fund provided for in subsection 2 of Section 508, upon the direction of the Authority, the Trustee shall forthwith transfer from the Program Subordinated Debt Fund for deposit in the Program Debt Service Fund the amount necessary (or all moneys in the Program Subordinated Debt Fund, if necessary) to make up such deficiency.

**SECTION 508. Authority Program Reserve Fund.**

1. Amounts credited to the Authority Program Reserve Fund shall be applied from time to time by the Authority to the payment of its operating expenses. In addition, to the extent not required to be applied to its operating expenses, amounts on deposit in the Authority Program Reserve Fund may be (i) transferred to the Non Proceeds Account of the Transportation Program Improvement Fund in such amounts as may be determined by resolution of the Authority or (ii) used for the purchase or redemption of any Bonds, including without limitation Option Bonds tendered for purchase and not remarketed, or purchase or redemption of Subordinated Debt, and to provide for expenses in connection with the purchase or redemption of any Bonds or any reserves which the Authority determines shall be required for such purpose.

2. Notwithstanding any of the provisions of this Section 508, if on any Payment Date with respect to any Series of Bonds the amount on deposit in the Program Debt Service Fund shall be less than the Debt Service Requirement with respect to such Series and with respect to such Payment Date, the Authority shall forthwith transfer from the Authority Program Reserve Fund to the Trustee for deposit in the Program Debt Service Fund the amount necessary, (or all moneys in said Authority Program Reserve Fund, if necessary) to make up such deficiency.

**SECTION 509. Program Rebate Fund.** The Authority and the Trustee shall deposit amounts in the Program Rebate Fund, and the Trustee shall apply such amounts to make payments to the United States pursuant to Section 148 of the Code, all as provided in the arbitrage and tax certificate or similar certificates delivered in connection with the issuance of each Series of Bonds and Subordinated Debt or as otherwise advised in writing by Bond Counsel.

**SECTION 510. Cancellation and Destruction of Bonds.** Except as may be otherwise provided with respect to (a) Option Bonds in the Supplemental Resolution or Series Certificate providing for the issuance thereof or (b) Bonds purchased in lieu of redemption at the election of the Authority pursuant to Section 409 in a certificate of an Authorized Officer of the Authority, all Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds, together with all Bonds purchased or redeemed pursuant to Section 505 which have been delivered to the Trustee and all Bonds purchased or redeemed by the Trustee, shall thereupon be promptly cancelled. Bonds so cancelled shall be destroyed by the Trustee, which shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the bonds so destroyed, and one executed certificate shall be filed with the Authority and the other executed certificate shall be retained by the Trustee.

**SECTION 511. Subordinated Debt.**

1. The Authority may, at any time, or from time to time, issue Subordinated Debt pursuant to a Supplemental Resolution or any other resolution of the Authority for any of its corporate purposes payable out of, and which may be secured by a pledge of, the Revenues as may from time to time be available for deposit to and deposited in the Program Subordinated Debt Fund for the purpose of payment thereof; provided, however, that such pledge shall be, and shall be expressed to be, subordinate in all respects to the pledge created by the Resolution as security for the Bonds and Parity Financing Facility Payment Obligations (which Parity

Financing Facility Payment Obligations are deemed to be included within the definition of the term "Bonds" for purposes of this Section 511 only).

2. The Authority may also, at any time or from time to time, issue Subordinated Debt to refund any Subordinated Debt issued as provided in this Section or to refund Outstanding Bonds of one or more Series or one or more maturities within a Series. Such Subordinated Debt issued for refunding purposes may be payable out of, and may be secured by a pledge of, the Revenues as may from time to time be available therefor, provided that any such payment or pledge shall be, and shall be expressed to be, subordinate and junior in all respects to the pledge and lien created under the Resolution as security for the Bonds.

3. The resolution, indenture or other instrument securing or evidencing each issue of Subordinated Debt shall contain provisions (which shall be binding on all holders of such Subordinated Debt) not more favorable to the holders of such Subordinated Debt than the following:

(a) In the event of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization or other similar proceedings in connection therewith, relative to the Authority or to its creditors, as such, or to its property and in the event of any proceedings for voluntary liquidation, dissolution or other winding up of the Authority, whether or not involving insolvency or bankruptcy, the Holders of all Bonds then Outstanding shall be entitled to receive payment in full of all principal, premium, if any, and interest on all such Bonds before the holders of the Subordinated Debt are entitled to receive any payment from the trust estate under the Resolution consisting of the Revenues and Pledged Property held under the Resolution (hereinafter in this subsection referred to as the "Trust Estate") on account of principal (and premium, if any) and interest upon the Subordinated Debt.

(b) In the event that any issue of Subordinated Debt is declared due and payable before its expressed maturity because of the occurrence of an event of default (under circumstances when the provisions of (a) above shall not be applicable), the Holders of all Bonds Outstanding at the time such Subordinated Debt so becomes due and payable because of such occurrence of such event of default shall be entitled to receive payment in full of all principal and interest on all such Bonds before the holders of the Subordinated Debt are entitled to receive any accelerated payment from the Trust Estate of principal (and premium, if any) or interest upon the Subordinated Debt.

(c) If any Event of Default with respect to the Bonds shall have occurred and be continuing (under circumstances when the provisions of (a) above shall not be applicable), the Holders of all Bonds then Outstanding shall be entitled to receive payment in full of all principal and interest on all such Bonds before the holders of the Subordinated Debt are entitled to receive any accelerated payment from the Trust Estate of principal (and premium, if any) or interest upon the Subordinated Debt.

(d) No Bondholder shall be prejudiced in his, her or its right to enforce the subordination of the Subordinated Debt by any act or failure to act on the part of the Authority.

(e) The Subordinated Debt may provide that the provisions of (a), (b), (c) and (d) above are solely for the purpose of defining the relative rights of the Holders of the Bonds on the one hand, and the holders of Subordinated Debt on the other hand, and that nothing therein shall impair, as between the Authority and the holders of the Subordinated Debt, the obligation of the Authority, which is unconditional and absolute, to pay to the holders thereof the principal thereof and premium, if any, and interest thereon in accordance with its terms, nor shall anything therein prevent the holders of the Subordinated Debt from exercising all remedies otherwise permitted by applicable law or thereunder upon default thereunder, subject to the rights under (a), (b), (c) and (d) above of the Holders of Bonds to receive cash property or securities otherwise payable or deliverable to the holders of the Subordinated Debt; and the Subordinated Debt may provide that, insofar as a trustee or paying agent for such Subordinated Debt is concerned, the foregoing provisions shall not prevent the application by such trustee or paying agent of any moneys deposited with such trustee or paying agent for the purpose of the payment of or on account of the principal (and premium, if any) and interest on such Subordinated Debt if such trustee or paying agent did not have knowledge at the time of such application that such payment was prohibited by the foregoing provisions.

4. Any issue of Subordinated Debt may have such rank or priority with respect to any other issue as may be provided in the Supplemental Resolution, resolution, indenture or other instrument securing such issue of Subordinated Debt and may contain such other provisions as are not in conflict with the provisions of the Resolution.

**SECTION 512. Other Funds and Accounts.** In addition to the Funds established pursuant to this Article V, the Authority shall have the right to establish additional Funds and Accounts by Supplemental Resolution and/or Series Certificate.

## ARTICLE VI

### DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

#### SECTION 601. Depositories.

1. All moneys held by the Trustee and the Authority under the provisions of the Resolution shall constitute trust funds and the Trustee and the Authority may deposit such moneys with one or more Depositories in trust for said parties. All moneys deposited under the provisions of the Resolution with the Trustee or any Depository shall be held in trust and applied only in accordance with the provisions of the Resolution, and each of the Funds and Accounts established or to be established by the Resolution shall be a trust fund for the purposes thereof.

2. Each Depository shall be a bank or trust company organized under the laws of any state of the United States or a national banking association having capital stock, surplus and undivided earnings of \$75,000,000 or more and willing and able to accept the office on

reasonable and customary terms and authorized by law to act in accordance with the provisions of the Resolution.

#### **SECTION 602. Deposits.**

1. All Revenues and moneys held by any Depository under the Resolution may be placed on demand or time deposit, if and as directed by the Authority provided that such deposit shall permit the moneys so held to be available for use at the time when needed. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks and drafts on such deposit with the same force and effect as if it were not such Fiduciary. All moneys held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Authority and acceptable to such Fiduciary, on time deposit, provided that such moneys on deposit be available for use at the time when needed. Such Fiduciary shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

2. All moneys held under the Resolution by the Trustee or any Depository shall be (a) either (1) insured by the Federal Deposit Insurance Corporation, as available or (2) continuously and fully secured by lodging with the Trustee or any Federal Reserve Bank, as custodian, as collateral security, Defeasance Securities having a market value not less than the amount of such moneys, and (b) held in such other manner as may then be required by applicable Federal or State laws and regulations and applicable state laws and regulations of the state in which the Trustee or such Depository (as the case may be) is located, regarding security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that, to the extent permitted by law, it shall not be necessary for the Fiduciaries to give security under this subsection 2 for the deposit of moneys with them held in trust and set aside by them for the payment of the principal or Redemption Price of or interest on any Bonds, or for the Trustee or any Depository to give security for any moneys which shall be represented by obligations or certificates of deposit purchased as an investment of such moneys.

3. All moneys deposited with the Trustee and each Depository shall be credited to the particular Fund or Account to which such moneys belong and, except as provided with respect to the investment of moneys in Investment Securities in Section 603, the moneys credited to each particular Fund or Account shall be kept separate and apart from, and not commingled with, any moneys credited to any other Fund or Account or any other moneys deposited with the Trustee and each Depository.

#### **SECTION 603. Investment of Certain Funds.**

1. Moneys held in the Program Debt Service Fund shall be invested and reinvested by the Trustee to the fullest extent practicable in Defeasance Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Fund. Moneys held in the Transportation Program Improvement Fund, the Program Subordinated Debt Fund and the Authority Program Reserve Fund may be invested and reinvested in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Fund. The Trustee shall



make all such investments of moneys held by it in accordance with written instructions from time to time received from any Authorized Officer of the Authority. In making any investment in any Investment Securities with moneys in any Fund or Account established under the Resolution, the Authority may instruct the Trustee or any Depository to combine such moneys with moneys in any other Fund or Account, but solely for purposes of making such investment in such Investment Securities.

2. Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) earned or any gain realized on any moneys or investments in such Funds or Accounts other than the Program Debt Service Fund shall be held for the benefit of the Non Proceeds Account of the Transportation Program Improvement Fund, and shall be paid into the Non Proceeds Account of the Transportation Program Improvement Fund on a periodic basis at least quarterly as shall be directed by the Authority. Interest earned or gain realized on any moneys or investments in the Program Debt Service Fund shall be held in such Fund for the purposes thereof.

3. Nothing in the Resolution shall prevent any Investment Securities acquired as investments of or security for funds held under the Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

4. Nothing in the Resolution shall preclude the Trustee from investing or reinvesting moneys through its bond department; provided, however, that the Authority may, in its discretion, direct that such moneys be invested or reinvested in a manner other than through such bond department.

#### **SECTION 604. Valuation and Sale of Investments.**

1. Obligations purchased as an investment of moneys in any Fund or Account created under the provisions of the Resolution shall be deemed at all times to be a part of such Fund or Account and any profit realized from the liquidation of such investment shall be credited to such Fund or Account, and any loss resulting from the liquidation of such investment shall be charged to the respective Fund or Account.

2. In computing the amount in any Fund or Account created under the provisions of the Resolution for any purpose provided in the Resolution, obligations purchased as an investment of moneys therein shall be valued at the amortized cost thereof. The accrued interest paid in connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such computation shall be determined as of January 1 in each year and at such other times as the Authority shall determine.

3. Except as otherwise provided in the Resolution, the Trustee or any Depository shall use its best efforts to sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment whenever it shall be requested in writing by an Authorized Officer of the Authority so to do. Whenever it shall be necessary, or upon direction of the Authority in accordance with the Resolution, in order to provide moneys to meet any payment or transfer from any Fund or Account held by the Trustee or any Depository, the Trustee or any Depository shall use its best efforts to sell at the best price obtainable or present

for redemption such obligation or obligations designated by an Authorized Officer of the Authority necessary to provide sufficient moneys for such payment or transfer.

4. The Trustee shall not be liable or responsible for any loss resulting from any such investment, sale or presentation for investment made in the manner provided above.

## ARTICLE VII

### PARTICULAR COVENANTS OF THE AUTHORITY

The Authority covenants and agrees with the Trustee and the Bondholders as follows:

**SECTION 701. Payment of Bonds.** The Authority shall duly and punctually pay or cause to be paid, but solely from the Pledged Property, (a) the principal or Redemption Price of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds, according to the true intent and meaning thereof, and (b) the amount of every Financing Facility Payment Obligation as and when the same become due.

**SECTION 702. Extension of Payment of Bonds.** The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Resolution, to the benefit of the Resolution or to any payment out of Revenues or Funds established by the Resolution, including the investments, if any, thereof, pledged under the Resolution or the moneys (except moneys held in trust for the payment of particular Bonds or claims for interest pursuant to the Resolution) held by the Fiduciaries, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Authority to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

**SECTION 703. Offices for Servicing Bonds.** The Authority shall at all times maintain one or more agencies in the State, and may maintain one or more such agencies in any other state or states, where Bonds may be presented for payment. The Authority hereby appoints the Trustee as Bond Registrar and the Trustee shall at all times maintain one or more agencies where Bonds may be presented for registration or transfer and where notices, demands and other documents may be served upon the Authority in respect of the Bonds or of the Resolution, and the Trustee shall continuously maintain or make arrangements to provide such services. The Authority hereby appoints the Paying Agent or Agents in such cities as its respective agents to maintain such agencies for the payment or redemption of Bonds.

**SECTION 704. Further Assurance.** At any and all times the Authority shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the

better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and funds hereby pledged, or intended so to be, or which the Authority may become bound to pledge.

**SECTION 705. Power to Issue Bonds and Pledge of Pledged Property.** The Authority is duly authorized under all applicable laws to create and issue the Bonds and to adopt the Resolution and to pledge the Pledged Property purported to be subjected to the lien of the Resolution in the manner and to the extent provided in the Resolution. The Pledged Property so pledged is and will be free and clear of any pledge lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with the pledge and assignment created by the Resolution, and all action on the part of the Authority to that end has been and will be duly and validly taken. The Bonds and the provisions of the Resolution are and will be the valid and legally binding obligations of the Authority. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Property pledged under the Resolution and all the rights of the Bondholders under the Resolution against all claims and demands of all persons whomsoever.

**SECTION 706. Creation of Liens.** The Authority shall not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature other than the Bonds, payable out of or secured by a pledge or assignment of the Pledged Property held or set aside by the Fiduciaries under the Resolution and shall not create or cause to be created any lien or charge on the Pledged Property, provided, however, that nothing contained in the Resolution shall prevent the Authority from issuing, if and to the extent permitted by law (i) evidences of indebtedness payable out of or secured by a pledge and assignment of the Pledged Property on and after such date as the pledge of the Pledged Property provided in the Resolution shall be discharged and satisfied as provided in Section 1201 or (ii) Subordinated Debt.

**SECTION 707. State Contract.** The Authority shall collect and forthwith cause to be deposited with a Depository in the Non Proceeds Account of the Transportation Program Improvement Fund all amounts, if any, payable to it pursuant to the State Contract. The Trustee, as the assignee of the Authority, shall enforce the provisions of the State Contract and agreements thereunder. The Authority will not consent or agree to or permit any amendment, change or modification to the State Contracts which would reduce the amounts payable to the Authority or extend the times when such payments are to be made thereunder. A copy of the State Contract certified by an Authorized Officer of the Authority shall be filed with the Trustee, and a copy of any such amendment certified by an Authorized Officer of the Authority shall be filed with the Trustee.

**SECTION 708. Accounts and Reports.**

1. The Authority shall keep or cause to be kept proper books of record and account in which complete and correct entries shall be made of its transactions relating to the amount of Revenues and the application thereof and each Fund and Account established under the Resolution. The Authority shall satisfy this obligation by directing the Trustee to keep such records. All books and papers of the Authority shall, subject to the terms thereof, at all times be subject to the inspection of the Trustee, the Treasurer and each Financing Facility Provider.

2. The Trustee and any Depository shall advise the Controller of the Authority as soon as practicable after the end of each month of the respective transactions during each month relating to each Fund and Account held by it under the Resolution.

3. The Authority shall annually, within 180 days after the close of each Fiscal Year file with the Trustee, and otherwise as provided by law, a copy of an annual report for such Fiscal Year accompanied by an Accountant's Certificate and including the following statements in reasonable detail: (i) a statement of assets and liabilities as of the end of such Fiscal Year; (ii) a statement of Revenues and expenses of the Authority for such Fiscal Year; and (iii) a summary with respect to each Fund and Account established under the Resolution of the changes in financial condition during such Fiscal Year and the amount held therein at the end of such Fiscal Year. Such Accountant's Certificate shall state whether or not, to the knowledge of the signer, the Authority is in default with respect to any of the covenants, agreements or conditions on its part contained in the Resolution, and if so, the nature of such default.

4. The Authority shall file with the Trustee (a) forthwith upon becoming aware of any Event of Default or default in the performance by the Authority of any covenant, agreement or condition contained in the Resolution, a certificate signed by an Authorized Officer of the Authority and specifying such Event of Default or default and (b) within 120 days after the end of each Fiscal Year, a certificate signed by an appropriate Authorized Officer of the Authority stating whether, to the best of his or her knowledge and belief, the Authority has kept, observed, performed and fulfilled its covenants and obligations contained in the Resolution and that there does not exist at the date of such certificate any default by the Authority under the Resolution or any Event of Default or other event which, with the lapse of time specified in Section 801 would become an Event of Default, or, if any such default or Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

5. The reports statements and other documents required to be furnished to the Trustee pursuant to any provisions of the Resolution shall be available for inspection by Bondholders at the office of the Trustee. The Authority and the Trustee may charge to each Bondholder requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

**SECTION 709. Maintenance of Existence, Compliance with Resolution and Act and Other Matters.**

1. The Authority shall at all times maintain its existence and shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act and the Resolution.

2. Upon the date of authentication and delivery of any of the Bonds, 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 such Bonds shall exist, have happened and have been performed, and the issue of such Bonds, together with all other obligations of the Authority shall comply in all respects with the applicable laws of the State.

**SECTION 710. Financing Facilities.** Subject to Section 711, the Authority shall maintain in full force and effect, and duly and punctually perform its obligations under, any agreement entered into by it in connection with the issuance of any Financing Facility, including the payment when due, but solely from the Pledged Property, of all Financing Facility Payment Obligations; provided, however, that nothing herein shall be construed to limit in any way any right of the Authority to terminate a Financing Facility in accordance with the terms thereof.

**SECTION 711. Obligation to Enforce Financing Facilities.** Irrespective of whether an Event of Default shall have occurred or be continuing, the Trustee shall take any and all action necessary or appropriate to enforce, on behalf of the Authority and for the benefit of the Bondholders, all rights of the Authority under any Financing Facility to which the Authority or the Trustee is a party, and notwithstanding anything to the contrary contained herein, the Authority shall have no obligation whatsoever to take any action to enforce the provisions of any such Financing Facility. In the event of the transfer, assignment or other conveyance of any Financing Facility in accordance with its terms by the Financing Facility Provider thereof or the substitution of a new Financing Facility Provider for any then existing Financing Facility Provider, the Trustee shall promptly notify the Authority and the Rating Agencies of the name and address of the new Financing Facility Provider and any modifications, amendments or supplements to the terms of the existing Financing Facility.

## ARTICLE VIII

### EVENTS OF DEFAULT; REMEDIES OF BONDHOLDERS

#### SECTION 801. Events of Default.

1. The following events shall constitute an Event of Default under the Resolution:
  - (i) if default shall be made in the payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise;
  - (ii) if default shall be made in the payment of any installment of interest on any Bond when and as such interest shall become due and payable;
  - (iii) if default shall be made in the payment of principal, interest or any other amounts payable in connection with any Subordinated Debt;
  - (iv) if the Authority shall fail to pay when due any Parity Financing Facility Payment Obligation; or
  - (v) if default shall be made by the Authority in the performance or observance of any other covenants, agreements or conditions on its part contained in the Resolution or in the Bonds, and such default continues for a period of sixty (60) days after written notice requiring the same to be remedied shall have been given to the

Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than twenty-five percent (25%) in principal amount of Bonds then Outstanding; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if and so long as the Authority shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion.

2. NOTWITHSTANDING ANYTHING CONTAINED IN THIS SECTION 801 TO THE CONTRARY, A FAILURE BY THE AUTHORITY TO PAY WHEN DUE ANY BOND PAYMENT OBLIGATIONS, SWAP PAYMENT OBLIGATIONS OR FINANCING FACILITY PAYMENT OBLIGATIONS REQUIRED TO BE MADE UNDER THIS RESOLUTION OR THE BONDS, OR A FAILURE BY THE AUTHORITY TO OBSERVE AND PERFORM ANY COVENANT, CONDITION OR AGREEMENT ON ITS PART TO BE OBSERVED OR PERFORMED UNDER THIS RESOLUTION OR THE BONDS, RESULTING FROM THE OCCURRENCE OF AN EVENT OF NON-APPROPRIATION SHALL NOT CONSTITUTE AN EVENT OF DEFAULT UNDER THIS SECTION 801.

#### **SECTION 802. Remedies.**

1. If an Event of Default shall have occurred and be continuing, and in each such case, the Trustee or the Holders of any Bonds may (i) sue to collect sums due under such Bonds or to enforce and protect the rights of the Holders of such Bonds and (ii) compel, to the extent permitted by law, by mandamus or otherwise, the performance by the Authority of any covenant made in this Resolution or the Bonds.

2. Nothing in this Resolution or in the Bonds contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay, from the sources provided in this Resolution, on the respective Interest Payment Dates, redemption dates or dates of maturity and places therein expressed, the principal or Redemption Price of and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of its Bonds.

#### **SECTION 803. Accounting and Examination of Records After Default.**

1. The Authority covenants that if an Event of Default shall have occurred and shall not have been remedied, the books of record and account of the Authority shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys.

2. The Authority covenants that if an Event of Default shall have occurred and shall not have been remedied, the Authority, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Revenues and other moneys, securities and funds pledged or held under this Resolution for such period as shall be stated in such demand.

#### **SECTION 804. Application of Pledged Property After Default.**

1. The Authority covenants that if an Event of Default shall occur and be continuing, the Authority, upon the demand of the Trustee, shall pay over or cause to be paid over to the Trustee forthwith (a) all Pledged Property then held by the Authority under the Resolution, and (b) all Revenues which are not paid directly to the Trustee as promptly as practicable after receipt thereof.

2. If an Event of Default shall occur and be continuing, the Trustee shall apply the Pledged Property, including all moneys, securities, funds and Revenues received by the Trustee pursuant to any right given or action taken under the provisions of this Article, together with all Funds held by the Trustee under the Resolution (other than the Program Rebate Fund and the Proceeds Account of the Transportation Program Improvement Fund), as follows and in the following order of priority:

- (i) to the payment of the reasonable and proper fees (including reasonable attorney's fees), charges, expenses and liabilities of the Fiduciaries;
- (ii) to the payment of the interest and principal or Redemption Price then due on the Bonds and Financing Facility Payment Obligations, as follows:

First: To the payment of interest then due on the Bonds and Parity Financing Facility Obligations in the order of the maturity of the installments thereof then due, and, if the amount available shall not be sufficient to pay in full any installment or installments of interest or Parity Financing Facility Obligations maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, without priority or preference of any Bond or Parity Financing Facility Obligation over any other;

Second: To the payment of the unpaid principal or Redemption Price of any Bonds and Parity Financing Facility Obligations which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all Bonds or Parity Financing Facility Obligations due on any date, then to the payment thereof ratably, according to the amounts due in respect of each Bond or Parity Financing Facility Obligation, without any priority or preference over any other; and

Third: To the payment to any Financing Facility Provider of any Subordinated Financing Facility Payment Obligation then due and, if the amounts available are insufficient to pay in full all Subordinated Financing Facility Payment Obligations, then to the payment thereof ratably, without preference or priority of any Subordinated Financing Facility Payment Obligation over any other.

- (iii) Notwithstanding the foregoing, to the extent provided in the applicable Supplemental Resolution or Series Certificate, Financing Facility Revenues shall be applied to the payment of principal or Redemption Price of, and interest on, the Bonds to which such Financing Facility relates, and amounts which would otherwise be paid to the holders of such Bonds shall be paid to the applicable Financing Facility Provider.

3. If an Event of Default shall occur and be continuing, but subject and subordinate to the amounts required to be paid pursuant to subsections 1 and 2 of this Section 804, and only after all amounts required to be paid pursuant to subsections 1 and 2 of this Section 804 have been paid in full, the Trustee shall apply any and all moneys, securities and Revenues then on deposit in or available for deposit to the Program Subordinated Debt Fund first to the payment of the reasonable and proper fees (including reasonable attorneys' fees), charges, expenses and liabilities of the Fiduciaries, and second to the payment to the persons entitled thereto of all installments of principal, redemption or prepayment price of, interest on and any other amounts payable in connection with any Subordinated Debt then outstanding, in such order of priority as shall be specified in the Supplemental Resolutions or other resolutions of the Authority authorizing the issuance of such Subordinated Debt or, if not so specified, pro rata.

4. If and whenever all overdue installments of principal or Redemption Price of, and interest on, all Bonds and Financing Facility Payment Obligations, together with the reasonable and proper charges, fees (including reasonable attorneys' fees), expenses and liabilities of the Trustee, and all other sums payable by the Authority under the Resolution, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable, shall either be paid by or for the account of the Authority, or provisions satisfactory to the Trustee shall be made for such payment, and all defaults under the Resolution or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Authority all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of the Resolution to be deposited or pledged, with the Trustee), and thereupon the Authority and the Trustee shall be restored, respectively, to their former positions and rights under the Resolution. No such payment over to the Authority by the Trustee nor such restoration of the Authority and the Trustee to their former positions and rights shall extend to or affect any subsequent default under the Resolution or impair any right consequent thereon.



**SECTION 805. Application of Pledged Property After Event of Non-Appropriation.**

1. The Authority covenants that if an Event of Non-Appropriation shall occur and be continuing, and provided that there shall not have occurred and then be continuing any Event of Default, the Authority, upon the demand of the Trustee, shall pay over or cause to be paid over to the Trustee forthwith (a) all Pledged Property then held by the Authority under the Resolution, and (b) all Revenues which are not paid directly to the Trustee as promptly as practicable after receipt thereof.

2. If an Event of Non-Appropriation shall occur and be continuing, and provided that there shall not have occurred and then be continuing any Event of Default shall occur and be continuing, the Trustee shall apply the Pledged Property, including all moneys, securities, funds and Revenues received by the Trustee pursuant to any right given or action taken under the provisions of this Article, together with all Funds held by the Trustee under the Resolution (other than the Program Rebate Fund and the Proceeds Account of the Transportation Program Improvement Fund), as follows and in the following order of priority:

- (i) to the payment of the reasonable and proper fees (including reasonable attorney's fees), charges, expenses and liabilities of the Fiduciaries;
- (ii) to the payment of the interest and principal or Redemption Price then due on the Bonds and Financing Facility Payment Obligations, as follows:

First: To the payment of interest then due on the Bonds and Parity Financing Facility Obligations in the order of the maturity of the installments thereof then due, and, if the amount available shall not be sufficient to pay in full any installment or installments of interest or Parity Financing Facility Obligations maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, without priority or preference of any Bond or Parity Financing Facility Obligation over any other;

Second: To the payment of the unpaid principal or Redemption Price of any Bonds and Parity Financing Facility Obligations which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all Bonds or Parity Financing Facility Obligations due on any date, then to the payment thereof ratably, according to the amounts due in respect of each Bond or Parity Financing Facility

Obligation, without any priority or preference over any other; and

Third: To the payment to any Financing Facility Provider of any Subordinated Financing Facility Payment Obligation then due and, if the amounts available are insufficient to pay in full all Subordinated Financing Facility Payment Obligations, then to the payment thereof ratably, without preference or priority of any Subordinated Financing Facility Payment Obligation over any other.

- (b) Notwithstanding the foregoing, to the extent provided in the applicable Supplemental Resolution or Series Certificate, Financing Facility Revenues shall be applied to the payment of principal or Redemption Price of, and interest on, the Bonds to which such Financing Facility relate, and amounts which would otherwise be paid to the holders of such Bonds shall be paid to the applicable Financing Facility Provider.

3. If an Event of Non-Appropriation shall occur and be continuing, but subject and subordinate to the amounts required to be paid pursuant to subsections 1 and 2 of this Section 805, and only after all amounts required to be paid pursuant to subsections 1 and 2 of this Section 805 have been paid in full, the Trustee shall apply any and all moneys, securities and Revenues then on deposit in or available for deposit to the Program Subordinated Debt Fund first to the payment of the reasonable and proper fees (including reasonable attorneys' fees), charges, expenses and liabilities of the Fiduciaries, and second to the payment to the persons entitled thereto of all installments of principal, redemption or prepayment price of, interest on and any other amounts payable in connection with any Subordinated Debt then outstanding, in such order of priority as shall be specified in the Supplemental Resolutions or other resolutions of the Authority authorizing the issuance of such Subordinated Debt or, if not so specified, pro rata.

If and whenever all overdue installments of principal or Redemption Price of, and interest on, all Bonds and Financing Facility Payment Obligations, together with the reasonable and proper charges, fees (including reasonable attorneys' fees), expenses and liabilities of the Trustee, and all other sums payable by the Authority under the Resolution, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable, shall either be paid by or for the account of the Authority, or provisions satisfactory to the Trustee shall be made for such payment, and all defaults under the Resolution or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Authority all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of the Resolution to be deposited or pledged, with the Trustee), and thereupon the Authority and the Trustee shall be restored, respectively, to their former positions and rights under the Resolution. No such

payment over to the Authority by the Trustee nor such restoration of the Authority and the Trustee to their former positions and rights shall extend to or affect any subsequent Event of Nonappropriation under the Resolution or impair any right consequent thereon.

#### **SECTION 806. Proceedings Brought by Trustee.**

1. If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding shall proceed, to protect and enforce its rights and the rights of the Holders of the Bonds under the Resolution forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under the Resolution

2. All rights of action under the Resolution may be enforced by the Trustee without the possession of any of the Bonds or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

3. The Holders of not less than a majority in principal amount of the Bonds at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

4. Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under the Resolution, the Trustee shall be entitled to exercise any and all rights and powers conferred in the Resolution and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

5. Regardless of the occurrence and continuation of an Event of Default, the Trustee shall have power to but, unless requested in writing by the Holders of twenty-five percent (25%) in principal amount of the Bonds then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Resolution by any acts which may be unlawful or in violation of the Resolution, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

#### **SECTION 807. Restrictions on Bondholder's Action.**

1. No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Resolution or the

execution of any trust under the Resolution or for any remedy under the Resolution, unless such Holder shall have previously given to the Trustee written notice of the occurrence of an Event of Default, as provided in this Article, and the Holders of at least twenty-five percent (25%) in principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in the Resolution or by the Act or by the laws of the State or to institute such action suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity against the costs, fees (including reasonable attorney's fees), expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his, her, its or their action to affect, disturb or prejudice the pledge created by the Resolution, or to enforce any right under the Resolution, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Resolution shall be instituted, had and maintained in the manner provided in the Resolution and for the equal benefit of all Holders of the Outstanding Bonds, subject only to the provisions of Section 702.

2. Nothing in the Resolution or in the Bonds contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of (and premium, if any) and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of his Bond.

**SECTION 808. Remedies Not Exclusive.** No remedy by the terms of the Resolution conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or existing at law or in equity or by statute on or after the date of adoption of the Resolution.

**SECTION 809. Effect of Waiver and Other Circumstances.**

1. No delay or omission of the Trustee or any Bondholder to exercise any right or power arising upon the occurrence of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by this Article to the Trustee or to the Bondholders may be executed from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

2. The Holders of not less than a majority in principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Holders of all of the Bonds waive any past default under the Resolution and its consequences, except a default in the payment of interest on or principal of or premium (if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

**SECTION 810. Notice of Default.** The Trustee shall promptly mail written notice of the occurrence of any Event of Default to each registered owner of Bonds then Outstanding at

such registered owner's address, if any, appearing upon the registry books of the Authority and to the Authority and each Financing Facility Provider.

**SECTION 811. Rights of Financing Facility Providers.** To the extent provided in the applicable Supplemental Resolution or Series Certificate, any rights granted to the holders of the Bonds pursuant to this Article VIII may, instead, be exercised by the Financing Facility Provider with respect to the Bonds to which such Financing Facility relates.

**SECTION 812. Rights of Holders of Subordinated Debt.** From and after the payment in full of the principal or Redemption Price of and interest on all Bonds issued and Outstanding under the Resolution and all Parity Financing Facility Payment Obligations, any rights granted to the Holders of the Bonds and such Parity Financing Facility Providers pursuant to this Article VIII may be exercised by the Holders of any Subordinated Debt then outstanding.

## ARTICLE IX

### CONCERNING THE FIDUCIARIES

**SECTION 901. Trustee; Appointment and Acceptance of Duties.** The Authority shall appoint the Trustee in the Supplemental Resolution or the Series Certificate to be executed in connection with the issuance of the first Series of Bonds to be issued under the Resolution. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution and such Supplemental Resolution or Series Certificate by executing and delivering to the Authority a written acceptance thereof, and by executing such acceptance the Trustee shall be deemed to have accepted such duties and obligations with respect to all Bonds issued under the Resolution, but only, however, upon the terms and conditions set forth in the Resolution and such Supplemental Resolution or Series Certificate.

**SECTION 902. Paying Agents; Appointment and Acceptance of Duties.**

1. The Authority shall appoint one or more Paying Agents for the Bonds of each Series, and may at any time or from time to time appoint one or more other Paying Agents. All Paying Agents appointed shall have the qualifications set forth in Section 913 for a successor Paying Agent. The Trustee may be appointed a Paying Agent.

2. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Authority and to the Trustee a written acceptance thereof.

3. Unless otherwise provided, the principal corporate trust offices of the Paying Agents are designated as the respective offices or agencies of the Authority for the payment of the interest on and principal or Redemption Price of the Bonds.

**SECTION 903. Responsibilities of Fiduciaries.**

1. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the

Resolution or of any Bonds issued thereunder or as to the security afforded by the Resolution, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid by such Fiduciary in accordance with the provisions of the Resolution to the Authority or any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of subsection 2 of this Section 903, no Fiduciary shall be liable in connection with the performance of its duties hereunder, except for its own negligence, misconduct or default.

2. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Resolution. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by Resolution, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Any provision of the Resolution relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 903 and Section 904.

3. The Trustee, in connection with the exercise of its discretionary rights or remedies upon the occurrence of an Event of Default as set forth under Article VIII of the Resolution, shall not incur any liability to any Bondholder, the Authority or any other person on account of the existence or alleged existence of any conflict between the interests of Holders of the Bonds in connection with which the Authority or the Trustee shall have entered into or obtained a Financing Facility and the Holders of Bonds not so secured arising from the difference in their respective security interests resulting from the availability of Financing Facility Revenues, provided that the Trustee shall not in any event be relieved of liability for its own negligent action, its own negligent failure to act or its own misconduct.

#### **SECTION 904. Evidence on Which Fiduciaries May Act.**

1. Each Fiduciary, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of the Resolution, shall examine such instrument to determine whether it conforms to the requirements of the Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Resolution in good faith and in accordance therewith.

2. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Authority, and such certificate shall be full warrant for any action taken or suffered in good faith under the

provisions of the Resolution upon the faith thereof, but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

3. Except as otherwise expressly provided in the Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Authority to any Fiduciary shall be sufficiently executed in the name of the Authority when signed by an Authorized Officer of the Authority.

#### **SECTION 905. Compensation.**

1. The Authority shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under the Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including without limitation those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Resolution, in accordance with the agreements made from time to time between the Authority and the Fiduciary.

2. The Authority hereby agrees to the extent permitted by law to reimburse each Fiduciary for any and all claims, damages, losses, liabilities, costs or reasonable expenses whatsoever which such Fiduciary may incur in connection with the performance by such Fiduciary of its obligations under the Resolution; provided, however, that the Authority shall not be required to reimburse any Fiduciary for any claims damages, losses, liabilities, costs or expenses caused in whole or in part by such Fiduciary's negligence, bad faith, breach of contract or misconduct arising out of or as a result of such Fiduciary's performing its obligations under the Resolution or undertaking any transaction contemplated by the Resolution; and further provided, that the foregoing is subject to the limitations of the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 et seq. and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq.

3. Each Fiduciary, by accepting its appointment as such under the Resolution, agrees that such Fiduciary (i) shall give the Authority prompt notice in writing of any actual or potential claim described above, and the institution of any suit or action; (ii) shall not adjust, settle or compromise any such claim, suit or action without the consent of the Authority; and (iii) shall permit the Authority, at the Authority's sole discretion, to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action.

4. While the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq. is not applicable by its terms to claims arising under contracts with the Authority, each Fiduciary, by accepting its appointment as such under the Resolution, agrees that such statute (except N.J.S.A. 59:13-9) shall be applicable to all claims against the Authority arising under this Section 905.

5. The reimbursement obligation provided in this Section 905 does not apply to or extend to any indemnification which may be given by any Fiduciary to any other person.

**SECTION 906. Certain Permitted Acts.** Any Fiduciary, individually or otherwise, may become the owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for, and permit

any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization arising out of the enforcement of the Bonds or the Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

**SECTION 907. Resignation of Trustee.** The Trustee may at any time resign and be discharged of the duties created by the Resolution by giving no less than ninety (90) days written notice to the Authority, and mailing notice thereof to the Holders of Bonds then Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the date specified in such notice unless (i) previously a successor shall have been appointed by the Authority or the Bondholders as provided in Section 909, in which event such resignation shall take effect immediately on the appointment of such successor, or (ii) a successor shall not have been appointed by the Authority or the Bondholders as provided in Section 909 on such date, in which event such resignation shall not take effect until a successor is appointed.

**SECTION 908. Removal of the Trustee.** The Trustee may be removed at any time with or without cause by an instrument or concurrent instruments in writing filed with the Trustee and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Authority. In addition, so long as no Event of Default, or an event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Trustee may be removed at any time with or without cause by a resolution of the Authority filed with the Trustee.

**SECTION 909. Appointment of Successor Trustee.**

1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor Trustee may be appointed by the Authority by a duly executed written instrument signed by an Authorized Officer of the Authority, but if the Authority does not appoint a successor Trustee within sixty (60) days then by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Authority and the predecessor Trustee. After such appointment of a successor Trustee, the Authority shall mail notice of any such appointment by it or the Bondholders to the registered owners of the Bonds then Outstanding.

2. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within one hundred twenty (120) days after the Trustee shall have given to the Authority written notice as provided in Section 907 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, removal, or for any other reason whatsoever, the Trustee (in the case of its resignation under Section 907) or the Holder of any Bond (in any case) may apply to any court of competent jurisdiction to appoint a successor



Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

3. Any Trustee appointed under the provisions of this Section 909 in succession to the Trustee shall be a bank or trust company organized under the laws of any state or a national banking association and shall have capital stock, surplus and undivided earnings aggregating at least \$75,000,000 if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

**SECTION 910. Transfer of Rights and Property to Successor Trustee.** Any successor Trustee appointed under the Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee, but the Trustee ceasing to act shall nevertheless, on the written request of the Authority or of the successor Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property, rights, interests and estates held by it under the Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

**SECTION 911. Merger or Consolidation.** Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by the Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

**SECTION 912. Adoption of Authentication.** In case any of the Bonds contemplated to be issued under the Resolution shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in the Resolution provided that the certificate of the Trustee shall have.

**SECTION 913. Resignation or Removal of Paying Agent and Appointment of Successor.**

1. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by the Resolution by giving at least sixty (60) days written notice to the Authority, the Trustee and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the Authority. Any successor Paying Agent shall be appointed by the Authority with the approval of the Trustee and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock, surplus and undivided earnings aggregating at least \$75,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

2. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

**ARTICLE X**

**SUPPLEMENTAL RESOLUTIONS**

**SECTION 1001. Supplemental Resolutions Effective Upon Filing with the Trustee.** For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the Authority may be adopted, which, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority, shall be fully effective in accordance with its terms:

(1) To authorize Bonds of a Series and, in connection therewith, specify and determine the matters and things referred to in Article II and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds;

(2) To close the Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Resolution on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness;

(3) To add to the covenants and agreements of the Authority in the Resolution, other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(4) To add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(5) To authorize, in compliance with all applicable law, Bonds of each Series to be issued in the form of Bonds issued and held in book-entry form on the books of the Authority and Fiduciary or custodian appointed for that purpose by the Authority and, in connection therewith, make such additional changes herein as are necessary or appropriate to accomplish or recognize such book-entry form Bonds, substitute for any such Fiduciary or custodian, provide for in, and amend any provisions in, the Resolution relating to the giving of notice, and specify and determine the matters and things relative to the issuance of such book-entry form Bonds as are appropriate or necessary;

(6) To confirm, as further assurance, any pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, the Resolution of the Pledged Property and to pledge any additional revenues, moneys, securities, Financing Facilities or other agreements;

(7) To modify any of the provisions of the Resolution in any other respect whatever, provided that (i) such modification shall be, and be expressed to be effective only after all Bonds of each Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding, and (ii) such modification shall not adversely affect the interest of any Bondholder; and

(8) To authorize the issuance of Subordinated Debt in accordance with the Resolution and the Act.

**SECTION 1002. Supplemental Resolutions Effective Upon Consent of Trustee.** For any one or more of the following purposes and at any time or from time to time a Supplemental Resolution may be adopted, which, upon (i) the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority, and (ii) the filing with the Authority of an instrument in writing made by the Trustee consenting thereto, shall be fully effective in accordance with its terms:

(1) To cure any ambiguity, supply any omission, or correct any defect or inconsistent provision in the Resolution; or

(2) To insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable and are not contrary to or inconsistent with the Resolution as theretofore in effect.

**SECTION 1003. Supplemental Resolutions Effective with Consent of Bondholders.** At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by (a) Bondholders in accordance with and subject to the provisions of Article XI and (b) any Financing Facility Provider the consent of which is required by the applicable Financing Facility, which Supplemental Resolution, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority and upon compliance with the provisions of said Article XI, shall become fully effective in accordance with its terms as provided in said Article XI. Brokers, dealers and municipal securities dealers that purchase Bonds with a view to distribution may vote the Bonds which they purchase if, and only if, the official statements or other offering documents for all existing Bonds at the time Outstanding under the Resolution expressly disclosed that

brokers, dealers and municipal securities dealers that purchase Bonds with a view to distribution may vote the Bonds which they purchase. If permitted by an applicable Supplemental Resolution or Series Certificate, a Financing Facility Provider of a Financing Facility securing a Series of Bonds shall have the right to consent to amendments on behalf of and in lieu of the Owners of the Bonds of such Series.

#### **SECTION 1004. General Provisions.**

1. The Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article X and Article XI. Nothing contained in this Article X or Article XI shall affect or limit the right or obligation of the Authority to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 704 or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument which elsewhere in the Resolution it is provided shall be delivered to said Fiduciary.

2. Any Supplemental Resolution referred to and permitted or authorized by Sections 1001 and 1002 may be adopted by the Authority without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. The copy of every Supplemental Resolution when filed with the Trustee shall be accompanied by an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally.

3. The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by Section 1001, 1002 or 1003 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of Bond Counsel that such Supplemental Resolution is authorized or permitted by the provisions of the Resolution.

4. No Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

### **ARTICLE XI**

#### **AMENDMENTS**

**SECTION 1101. Mailing.** Any provision in this Article for the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed postage prepaid only (i) to each registered owner of Bonds then Outstanding at such registered owner's address, if any, appearing upon the registry books of the Authority, and (ii) to the Trustee.

**SECTION 1102. Powers of Amendment.** Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds thereunder, in any particular, may be made by a Supplemental Resolution with the written consent, given as provided in Section 1103, of (a) at least a majority in principal amount of the

Bonds Outstanding at the time such consent is given who are affected by the proposed modification or amendment; 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, 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 any calculation of Outstanding Bonds under this Section and (b) any Financing Facility Provider the consent of which is required by the applicable Financing Facility. No such modification or amendment shall permit a change in the terms of redemption (including sinking fund installment) or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the 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 any Fiduciary without its written assent thereto, or shall permit a change in the terms of redemption or prepayment of any Subordinated Debt or the payment of interest thereon or any other amount payable in connection therewith without the consent of the holder of such Subordinated Debt. For the purpose of this Section, a Series shall be deemed to be affected by a modification or amendment of the Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. The Trustee may in its discretion determine whether or not, in accordance with the foregoing powers of amendment, Bonds of any particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds. Notwithstanding the foregoing, in the case of amendments or modifications to the Resolution which are to take effect simultaneously with the issuance or remarketing of Bonds of one or more Series and which are disclosed in the official statement or other offering document for such Series, purchasers of such Bonds shall be deemed to have consented to such amendments or modifications by virtue of their having purchased such Bonds and the written consents of such purchasers shall not be required.

**SECTION 1103. Consent of Bondholders.** The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 1102 to take effect when and as provided in this Section 1103. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Authority to Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section 1103 provided). Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Bonds specified in Section 1102, (b) the written consent of any Financing Facility Provider the consent of which is required pursuant to the applicable Financing Facility and (c) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally, and (ii) a notice shall have been given as hereinafter in this Section 1103 provided. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 1202. A

certificate or certificates executed by the Trustee and filed with the Authority stating that it has examined such proof and that such proof is sufficient in accordance with Section 1202 shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Holder of the Bonds giving such consent and, anything in Section 1202 to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 1103 provided for is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 1202 hereof. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Authority to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 1103, may be given to Bondholders by the Authority by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 1103 provided). The Authority shall file with the Trustee proof of the mailing thereof. A record, consisting of the certificates or statements required or permitted by this Section 1103 to be made by the Trustee shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Fiduciaries and the Holders of all Bonds at the expiration of forty (40) days after the filing with the Trustee of the proof of the mailing of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that any Fiduciary and the Authority during such forty (40) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

**SECTION 1104. Modifications by Unanimous Consent.** The terms and provisions of the Resolution and the rights and obligations of the Authority and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing by the Authority of a Supplemental Resolution and the consent of (a) the Holders of all of the Bonds then Outstanding, and (b) any Financing Facility Provider the consent of which is required by the applicable Financing Facility, such consents to be given as provided in Section 1103 except that no notice to Bondholders shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Bondholders.

**SECTION 1105. Exclusion of Bonds.** Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article XI, and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article the Authority shall furnish the Trustee a certificate of an Authorized Officer of the Authority upon which the Trustee may rely, describing all Bonds so to be excluded.

**SECTION 1106. Notation on Bonds.** Bonds authenticated and delivered after the effective date of any action taken as in Article X or this Article XI provided may, and, if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the principal corporate trust office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Authority to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds.

## ARTICLE XII

### MISCELLANEOUS

#### **SECTION 1201. Defeasance.**

1. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds and Subordinated Debt, if any, the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated in the Bonds and Subordinated Debt, if any, and in the Resolution, then the pledge of the Pledged Property, any Revenues, and other moneys and securities pledged under the Resolution and all covenants, agreements and other obligations of the Authority to the Bondholders shall thereupon cease terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Authority to be prepared and filed with the Authority and, upon the request of the Authority, shall execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Authority the Pledged Property, including all moneys or securities held by them pursuant to the Resolution which are not required for the payment of principal or Redemption Price, if applicable, and interest on Bonds not theretofore surrendered for such payment or redemption. If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Holders of the Outstanding Bonds of a particular Series, or of a particular maturity or particular Bonds within a maturity within a Series, the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution, such Bonds shall cease to be entitled to any lien, benefit or security under the Resolution, and all covenants, agreements and

obligations of the Authority to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

2. Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by the Authority of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section. Subject to the provisions of subsection 3 through subsection 6 of this Section, any Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee irrevocable instructions to mail as provided in Article IV notice of redemption of such Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date, (b) there shall have been deposited with the Trustee either moneys (including moneys withdrawn and deposited pursuant to subsection 2 of Section 505 and subsection 4 of Section 506) in an amount which shall be sufficient, or Defeasance Securities (including any Defeasance Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee irrevocable instructions to mail a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 1201 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of subsection 6 of this Section 1201, to be available for the payment of the principal or Redemption Price, if applicable, of and accrued and unpaid interest on said Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of redemption referred to in clause (a) hereof). Any notice of redemption mailed pursuant to the preceding sentence with respect to Bonds which constitute less than all of the Outstanding Bonds of any maturity within a Series shall specify the letter and number or other distinguishing mark of each such Bond. The Trustee shall, as and to the extent necessary, apply moneys held by it pursuant to this Section 1201 to the payment when due of the principal or Redemption Price of and interest on such Bonds, all in the manner provided in the Resolution. The Trustee shall, if so directed by the Authority (i) prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 1201 which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) above with respect to any Bonds deemed to have been paid in accordance with this Section 1201 which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Bonds and redeem or sell Defeasance Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds and the Trustee shall immediately thereafter cancel all such Bonds so purchased; provided, however, that the moneys and Defeasance Securities



remaining on deposit with the Trustee after the purchase and cancellation of such Bonds shall be sufficient to pay when due the principal or Redemption Price, if applicable, of, and interest due or to become due on all Bonds, in respect of which such moneys and Defeasance Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time (i) prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 1201 which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) with respect to any Bonds deemed to have been paid in accordance with this Section 1201 which are to be redeemed on any date prior to their maturity, the Authority shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by directions from the Authority to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay or redeem Bonds deemed paid in accordance with this Section 1201. The directions given by the Authority to the Trustee referred to in the preceding sentence shall also specify the portion if any of such Bonds so purchased or delivered and cancelled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 1201 upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and cancelled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section 1201 on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations of Bonds as provided in this Section 1201 the total amount of moneys and Defeasance Securities remaining on deposit with the Trustee under this Section 1201 is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Bonds in order to satisfy subclause (b) of this subsection 2 of Section 1201, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, pledge or assignment securing said Bonds or otherwise existing under this Resolution. Except as otherwise provided in this subsection 2 of Section 1201 and in subsection 3 through subsection 6 of this Section 1201, neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section 1201 nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, of, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Authority as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under the Resolution, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing said Bonds or otherwise existing under the Resolution. For the purposes of this Section, Defeasance Securities shall mean and include only (A) Defeasance Securities which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof, (B) Defeasance Securities as to which an irrevocable notice of redemption of such securities has been given and such securities

are not otherwise subject to redemption prior to such specified date other than at the option of the Holder thereof, or (C) upon compliance with the provisions of subsection 4 of this Section 1201, Defeasance Securities which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

3. For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Defeasance Securities and moneys, if any, in accordance with the second sentence of subsection 2 of this Section 1201, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of moneys and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy the second sentence of subsection 2 of this Section 1201, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, pledge or assignment securing the Bonds or otherwise existing under the Resolution.

4. Defeasance Securities described in clause (c) of subsection 2 of this Section 1201 may be included in the Defeasance Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of this Section 1201 only if the determination as to whether the moneys and Defeasance Securities to be deposited with the Trustee in order to satisfy the requirements of such clause (b) would be sufficient to pay when due either on the maturity date thereof or, in the case of any Bonds to be redeemed prior to the maturity date thereof, on the redemption date or dates specified in any notice of redemption to be mailed by the Trustee in accordance with subsection 2 of this Section 1201, the principal and Redemption Price, if applicable, and interest on the Bonds which will be deemed to have been paid as provided in subsection 2 of this Section 1201 is made both (i) on the assumption that the Defeasance Securities described in clause (c) were not redeemed at the option of the issuer prior to the maturity date thereof and (ii) on the assumptions that such Defeasance Securities would be redeemed by the issuer thereof at its option on each date on which such option could be exercised, that as of such date or dates interest ceased to accrue on such Defeasance Securities and that the proceeds of such redemption would not be reinvested by the Trustee.

5. In the event that after compliance with the provisions of subsection 4 of this Section 1201 the Defeasance Securities described in clause (c) of subsection 2 of this Section 1201 are included in the Defeasance Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of this Section 1201 and any such Defeasance Securities are actually redeemed by the issuer thereof prior to their maturity date, then the Trustee at the direction of the Authority, provided that the aggregate of the moneys and Defeasance Securities to be held by the Trustee, taking into account any changes in redemption dates or instructions to give notice of redemption given to the Trustee by the Authority in accordance with subsection 6 of this Section 1201, shall at all times be sufficient to satisfy the requirements of clause (b) of subsection 2 of this Section 1201, shall reinvest the proceeds of such redemption in Defeasance Securities.

6. Any notice of redemption to be mailed by the Trustee and any set of instructions relating to a notice of redemption given to the Trustee may provide, at the option of the Authority, that any redemption date or dates in respect of all or any portion of the Bonds to be redeemed on such date or dates may at the option of the Authority be changed to any other permissible redemption date or dates and that redemption dates may be established for any Bonds deemed to have been paid in accordance with this Section 1201 upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption.

7. Option Bonds shall be deemed to have been paid in accordance with the second sentence of subsection 2 of this Section 1201 only if, in addition to satisfying the requirements of clauses (a) and (c) of such sentence, there shall have been deposited with the Trustee moneys (including moneys withdrawn and deposited pursuant to subsection 2 of Section 505 and subsection 4 of Section 506) in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; provided, however, that if, at the time a deposit is made with the Trustee pursuant to subsection 2 of this Section 1201, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this subsection. If any portion of the moneys deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, pledge or assignment securing said Bonds or otherwise existing under the Resolution.

8. Related Swap Bonds and the Authority's Swap Payment Obligations under the applicable Swap Agreement shall be deemed to have been paid for purposes of this Section 1201 if (a) there shall have been deposited with the Trustee moneys and Defeasance Securities of the type described in subsection 2 of this Section 1201 in an amount which together with amounts due and to become due from the Swap Provider under the applicable Swap Agreement, shall be sufficient to pay when due (i) during the term of the applicable Swap Agreement, the Authority's Bond Payment Obligations, Related Swap Bond Payment Obligations and Swap Payment Obligations (other than Swap Termination Payments) in respect of such Related Swap Bonds and (ii) thereafter, all principal of and premium, if any, and interest on such Bonds to maturity or prior redemption, and (b) the Authority shall have given to the Trustee irrevocable written instructions directing the Trustee to pay, during the term of the applicable Swap Agreement to the applicable Paying Agent or Swap Provider, as the case may be, the amount required to pay the Authority's Bond Payment Obligations, Related Swap Bond Payment Obligations and Swap Payment Obligations in respect of such Related Swap Bonds. Neither moneys nor Defeasance Securities deposited with the Trustee pursuant to this subsection 8 of Section 1201 nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payments to be made pursuant to subsections (a)(i) and (ii) above; provided that any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall to the extent practicable, be reinvested in Defeasance Securities maturing at the times and in amounts sufficient, together with other moneys available for the purpose, to make the payments set forth in subsections (a)(i) and (ii), and interest earned from such reinvestments shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien or

pledge, and provided, further that any Defeasance Securities may be sold, transferred, redeemed or otherwise disposed of and the proceeds thereof applied to the purchase of other Defeasance Securities of the type permitted for this purpose, the principal of and interest on which, when due, together with moneys and other Defeasance Securities then held by the Trustee for such purpose, shall be sufficient to make the payments set forth in subsections (a)(i) and (ii). Notwithstanding the defeasance of any Bonds and discharge of the lien of the Resolution pursuant to this Section 1201, during the term of any Swap Agreement for which Related Swap Bonds have been defeased, the Trustee shall, subject to the foregoing provisions of this Section 1201, hold and apply (i) the Defeasance Securities deposited with it pursuant to this Section 1201 as provided in Section 505, and (ii) all payments from the Swap Provider under the applicable Swap Agreement as Swap Revenues pursuant to Section 506. If any portion of the moneys deposited with the Trustee for the payment of the amounts set forth in subsection (a) above is not required for such purpose, the Trustee shall pay the amount of such excess as the Authority shall direct in writing.

9. Anything in the Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for two years after the date when such Bonds have become due and payable either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for two years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable shall, at the written request of the Authority, be repaid by the Fiduciary to the Authority, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Authority for the payment of such Bonds; provided, however, that before being required to make any such payment to the Authority the Fiduciary shall, at the expense of the Authority, cause to be published at least twice, at an interval of not less than seven days between publications, in an Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Authority.

10. Any Subordinated Debt shall be defeased in the manner and subject to the terms and conditions set forth in the Supplemental Resolution or other resolution of the Authority authorizing the issuance thereof.

#### **SECTION 1202. Evidence of Signatures of Bondholders and Ownership of Bonds.**

1. Any request, consent, revocation of consent or other instrument which the Resolution may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor and shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of any instrument appointing any such attorney, or (ii) the holding by any person of the Bonds shall be sufficient for any purpose of the Resolution (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(a) The fact and date of the execution by any Bondholder or such Bondholder's attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him or her the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature, guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

(b) The amount of Bonds transferable by delivery held by any person executing any instrument as a Bondholder, the date of such person's holding such Bonds, and the numbers and other identification thereof, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Trustee, executed by the Trustee or by a member of a financial firm or by an officer of a bank, trust company, insurance company, or financial corporation or other depository wherever situated, showing at the date therein mentioned that such person exhibited to such member or officer or had on deposit with such depository the Bonds described in such certificate. Such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or depository with respect to Bonds owned by it, if acceptable to the Trustee. In addition to the foregoing provisions, the Trustee may from time to time make such reasonable regulations as it may deem advisable permitting other proof of holding of Bonds transferable by delivery.

2. The ownership of Bonds registered otherwise than to bearer and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

3. Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Authority or any Fiduciary in accordance therewith.

**SECTION 1203. Moneys Held for Particular Bonds.** The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

**SECTION 1204. Preservation and Inspection of Documents.** All documents received by any Fiduciary under the provisions of the Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, any other Fiduciary, and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

**SECTION 1205. Parties Interested Herein.** Nothing in the Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Authority, the Fiduciaries, the Holders of the Bonds, any Financing Facility Providers and the holders of any Subordinated Debt, any right, remedy or claim under or by

reason of the Resolution or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in the Resolution contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Fiduciaries, the Holders of the Bonds, any Financing Facility Provider and the holders of any Subordinated Debt.

**SECTION 1206. No Recourse on the Bonds.** No recourse shall be had for the payment of the principal of or interest on the Bonds, the Financing Facility Payment Obligations or the principal of or interest on any Subordinated Debt for any claim based thereon or on the Resolution against any member or officer of the Authority or any person executing the Bonds, any Financing Facility or any instrument evidencing Subordinated Debt.

**SECTION 1207. Publication of Notice; Suspension of Publication.**

1. Any publication to be made under the provisions of the Resolution in successive weeks or on successive weeks or on successive dates may be made in each instance upon any business day of the week and need not be made in the same Authorized Newspaper for any or all of the successive publications, but may be made in a different Authorized Newspaper.

2. If, because of the temporary or permanent suspension of the publication or general circulation of any Authorized Newspaper or for any other reason, it is impossible or impractical to publish any notice pursuant to the Resolution in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

**SECTION 1208. Severability of Invalid Provisions.** If any one or more of the covenants or agreements provided in the Resolution on the part of the Authority or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of the Resolution.

**SECTION 1209. Holidays.** Except with respect to the computation of a Record Date, if the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Resolution, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Trustee or the operational office of the Authority are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed with the same force and effect as if done on the nominal date provided in the Resolution, and no interest shall accrue for the period after such nominal date.

**SECTION 1210. Capital Appreciation Bonds; Convertible Capital Appreciation Bonds.** For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond or Convertible Capital Appreciation Bond is redeemed prior to maturity, or (ii) receiving payment of a Capital Appreciation Bond or Convertible Capital Appreciation Bond if the principal of all Bonds is declared immediately due and payable following an Event of Default, as provided in Sections 801 and 802 of the Resolution, or (iii) computing the principal amount of Bonds held by the registered owner of a Capital Appreciation Bond or Convertible

Capital Appreciation Bond in giving to the Authority or the Trustee any notice, consent, request or demand pursuant to the Resolution for any purpose whatsoever, or (iv) determining whether any Capital Appreciation Bond or Convertible Capital Appreciation Bond has been paid or deemed to have been paid pursuant to Section 1201 of the Resolution, the principal amount of a Capital Appreciation Bond or Convertible Capital Appreciation Bond shall be deemed to be its Accreted Value or Appreciated Value, respectively.

### ARTICLE XIII

#### BOND FORM AND EFFECTIVE DATE

**SECTION 1301. Form of Bonds, Trustee's Certificate of Authentication.** Subject to the provisions of the Resolution, the form of Bonds of each Series and the Trustee's Certificate of Authentication shall be in substantially the following tenor with such variations, omissions and insertions as are required or permitted by the Resolution:

#### [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 PROGRAM BONDS, SERIES \_\_\_\_\_

**THE PRINCIPAL OR REDEMPTION PRICE OF AND INTEREST ON THE 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 (OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION) IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THIS BOND OR THE ISSUE OF WHICH IT IS ONE. THE AUTHORITY HAS NO TAXING POWER.**

No. R-\_\_

Interest Rate %	Maturity Date	Dated Date	Authentication Date	CUSIP
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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 created and existing under the laws of the State of New Jersey 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 corporate trust office of \_\_\_\_\_ (such bank and any successors thereto being herein called the "Paying Agent"), 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, 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 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 Program Bonds, Series \_\_\_\_\_ (herein called the "Series \_\_\_\_\_ Bonds"), in the aggregate principal amount of \$\_\_\_\_\_, issued under and in full compliance with the Constitution and Statutes of the State of New Jersey, and particularly Chapter 73 of the Laws of New Jersey, 1984 as amended and supplemented, including without limitation, by L. 2012, c.13 (herein called the "Act"), and under and pursuant to a Resolution adopted by the Authority on October 26, 2012 entitled "2012 Transportation Program Bond Resolution" and a supplemental resolution of the Authority authorizing the Series \_\_\_\_\_ Bonds [and a Series Certificate duly



executed by an Authorized Officer of the Authority on \_\_\_\_\_] (said Resolution as supplemented [and together with said Series Certificate] being herein called the "Resolution").

As provided in the Resolution, the Series \_\_\_\_\_ Bonds, and all other bonds issued under the Resolution on a parity with the Series \_\_\_\_\_ Bonds (herein collectively called the "Bonds") are 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, without limitation, the State Contract, all Revenues and the 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 – Subaccount for Debt Service for Transportation Program Bonds created under the Act are subject to and dependent upon appropriations being made from time to time by the New Jersey State Legislature. The New Jersey 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 or Series Certificates 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 at the time such consent is given who are affected by the proposed modification or amendment; 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, 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

any calculation of Outstanding Bonds under this Section and (b) any Financing Facility Provider the consent of which is required by the applicable Financing Facility. If permitted by an applicable Supplemental Resolution or Series Certificate, a Financing Facility Provider of a Financing Facility securing a Series of Bonds shall have the right to consent to amendments on behalf of, and in lieu of, the Owners of the Bonds of such Series. 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 the 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, or shall permit a change in the terms of redemption or prepayment of any Subordinated Debt or the payment of interest thereon or any other amount payable in connection therewith without the consent of the holder of such Subordinated Debt.

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 of the same aggregate principal amount, Series and maturity as this bond 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 Series \_\_\_\_\_ Bonds are subject to redemption prior to maturity as set forth in the Supplemental Resolution or Series Certificate authorizing such Series \_\_\_\_\_ Bonds.

No covenant or agreement contained in this bond shall be deemed to be the covenant or agreement of any member, officer, attorney, agent or employee of the Authority in an individual capacity. No recourse shall be had for the payment of principal, premium, if any, or interest on this bond against any officer, member, agent, attorney or employee of the Authority past, present or future, or any successor body or their heirs, personal representatives, successors, as such, either directly or through the Authority, or any such successor body, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all of such liability being hereby released as a condition of and as a consideration for the execution and delivery of this bond.

This bond shall not constitute the personal obligation, either jointly or severally, of any director, officer, employee or agent of the Authority. The Act provides that neither the members of the Authority nor any person executing Bonds for the Authority shall be liable personally on said Bonds by reason of the issuance thereof.

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 of New Jersey, 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 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 President 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

Attest:

\_\_\_\_\_  
Secretary or Assistant Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

\_\_\_\_\_, as Trustee

By \_\_\_\_\_  
Authorized Officer

**SECTION 1302. Escheat Provision.** Anything in the Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable, shall, be applied when and as provided in the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 et seq, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall have such rights as are provided in said Uniform Unclaimed Property Act.

**SECTION 1303. Governing Law.** This Resolution shall be governed by and construed in accordance with the laws of the State.

**SECTION 1304. Effective Date.** This Resolution shall take effect immediately upon its adoption in accordance with the Act.

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

Yeas: 6

Nays: 0

As the next order of business, Deputy Commissioner Joseph Mrozek requested Gary Brune to lead a discussion pertaining to the request for approval of the First Supplemental Transportation Program Bond Resolution Authorizing the Issuance of Transportation Program Bonds, 2012 Series.

Gary Brune indicated that this is the initial resolution for the new bonds, specifically to authorize the sale of \$921 million of Transportation Program Bonds. When combined with the \$326 million of "old" Transportation System Bonds, this total bond sale matches the \$1,247 million bond cap amount authorized in the TTFa Amendments enacted in June, 2012.

Adam Wendell stated that this resolution is comparable to the 28<sup>th</sup> Supplemental Resolution for the Transportation System Bonds and also provides delegations of authority, including the selection of a bond trustee and approval of the Preliminary Official Statement, Bond Purchase Agreement, Continuing Disclosure Agreement and new State Contract.

Deputy Commissioner Joseph Mrozek asked if there were any further discussion and then requested a motion to adopt the resolution entitled, "First Supplemental Transportation Program Bond Resolution".

Mr. Lalevee moved the following resolution approving the First Supplemental Transportation Program Bond Resolution:

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**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**

**Not Exceeding \$921,000,000**

**Transportation Program Bonds**

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**FIRST SUPPLEMENTAL TRANSPORTATION  
PROGRAM BOND RESOLUTION**

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**Adopted October 26, 2012**

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**TABLE OF CONTENTS**

**Page**

**ARTICLE I  
AUTHORITY AND DEFINITIONS**

1.1. Supplemental Resolution. ....1  
1.2. Authority for this First Supplemental Transportation System Bond Resolution. ....1  
1.3. Definitions. ....1

**ARTICLE II  
AUTHORIZATION OF FIRST SUPPLEMENTAL BONDS**

2.1. Maximum Principal Amount, Designation, Series and Other Details. ....2  
2.2. Purpose. ....3  
2.3. Determination in Accordance with Section 9(i) of the Act. ....3  
2.4. Authorization of Negotiated Sale. ....3  
2.5. Approval of the Preliminary Official Statement. ....4  
2.6. Authorization of the Printing and Distribution of the Preliminary Official Statement. ....5  
2.7. Approval of Continuing Disclosure Agreement. ....5  
2.8. Additional Proceedings. ....5  
2.9. Denomination, Numbers and Letters. ....8  
2.10. Redemption. ....8  
2.11. Book-Entry Only System. ....8  
2.12. Application of Proceeds of the First Supplemental Bonds. ....10  
2.13. Approval of State Contract. ....10

**ARTICLE III  
MISCELLANEOUS**

3.1. Registration or Qualification of Bonds Under Blue Sky Laws of Various Jurisdictions. .12  
3.2. Payments from Authority Program Reserve Fund. ....12

**ARTICLE IV  
EFFECTIVE DATE**

4.1. Effective Date. ....12



# NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

## FIRST SUPPLEMENTAL

## TRANSPORTATION PROGRAM BOND RESOLUTION

Adopted October 26, 2012

**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 First Supplemental Transportation Program Bond Resolution (the "First Supplemental Resolution") is supplemental to the 2012 Transportation Program Bond Resolution adopted by the Authority on October 26, 2012 (the "Resolution").

#### 1.2. Authority for this First Supplemental Transportation System Bond Resolution.

This First Supplemental Resolution is adopted (i) pursuant to the provisions of the New Jersey Transportation Trust Fund Authority Act of 1984, L. 1984, 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 First Supplemental Resolution as such terms are given in the Resolution.

In addition, in this First 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 Counsel"** shall mean McCarter & English, LLP or any other attorney or firm of attorneys selected from time to time by the Authority having recognized standing and expertise in the field of law relating to municipal finance and whose legal opinions are generally accepted by purchasers of municipal obligations.

**"Bond Purchase Contract"** shall have the meaning given to such term in Section 2.4 of

this First Supplemental Resolution.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended and supplemented, and the regulations promulgated thereunder.

“**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 First Supplemental Bonds.

“**First Supplemental Bonds**” shall mean the not to exceed \$921,000,000 aggregate principal amount of Transportation Program Bonds authorized pursuant to Article II of this First Supplemental Resolution.

“**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 Barclays Capital Inc. in its capacity as the senior managing Underwriter for the First Supplemental Bonds.

“**Series Certificate**” shall mean the Series Certificate to be executed by an Authorized Authority Official pursuant to Section 2.8 of this First Supplemental Resolution.

“**State Contract**” means the “Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act with respect to Transportation Program Bonds”, by and among the Treasurer, the Commissioner and the Authority, approved by the Authority pursuant to Section 2.13 of this Twenty-Eighth Supplemental Resolution.

“**Tax-Exempt First Supplemental Bonds**” shall mean any First Supplemental Bonds the interest on which is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Code.

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

## ARTICLE II AUTHORIZATION OF FIRST SUPPLEMENTAL BONDS

### 2.1. Maximum Principal Amount, Designation, Series and Other Details.

(a) Pursuant to the provisions of the Resolution, one or more Series of First Supplemental Bonds entitled to the benefit, protection and security of such provisions are hereby authorized to be issued in an aggregate principal amount not exceeding \$921,000,000. The First Supplemental Bonds shall be designated as “Transportation Program Bonds” and shall be further distinguished by the designation of the year of issue and the letter of the Series, as such designation may be determined by an Authorized Authority Official in the Series Certificate. Each Series of the First Supplemental Bonds shall be issued as Tax-Exempt First Supplemental

Bonds with a fixed rate or rates of interest to maturity 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 First Supplemental Bonds be later than the date set forth in the Act, which is currently thirty-one (31) years from the date of the original issuance and delivery of such Series of the First Supplemental Bonds, (ii) the true interest cost of each Series of the First Supplemental Bonds exceed five and one-half percent (5.50%) per annum, and (iii) the redemption price for any First Supplemental Bond, if expressed as a percentage of the principal amount of such First Supplemental Bond to be redeemed, exceed one hundred three percent (103%) of the principal amount of such First Supplemental Bond. The First Supplemental Bonds may be issued and sold in one or more sub-Series as may be provided in the Series Certificate.

(b) Without limiting the generality of the authorization contained in the immediately preceding paragraph (a) of Section 2.1 of this First Supplemental Resolution, it is presently anticipated, but not required, that the First Supplemental Bonds will be issued as one Series of Bonds and sold to the Underwriters pursuant to one Bond Purchase Contract.

## **2.2. Purpose.**

The First Supplemental Bonds shall be issued pursuant to the Resolution for the purposes of (i) paying State Transportation System Costs and (ii) paying the costs of issuance of such First Supplemental Bonds.

## **2.3. Determination in Accordance with Section 9(i) 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 First Supplemental Bonds as aforesaid are and will be in accordance with Section 9(i) of the Act.

## **2.4. Authorization of Negotiated Sale.**

(a) The Authority hereby authorizes the sale of the First Supplemental Bonds on a negotiated basis because the financing involves the sale of a complex financing structure and volatile market conditions. Upon recommendation of the Treasurer based upon Treasury's competitive RFP/RFQ process and in accordance with Executive Order No. 26 (Whitman 1994) ("Executive Order 26"), the Authority hereby appoints Barclays Capital Inc. as Senior Managing Underwriter in connection with the First Supplemental 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 co-senior managers and co-managers for the First Supplemental Bonds. In addition, if the Senior Managing Underwriter, a co-senior manager or co-manager requests the consent of the Authority to use another firm to provide retail distribution for any of the First Supplemental Bonds, an Authorized Authority Official, in consultation with the Treasurer, and upon advice of Bond Counsel, is hereby authorized to execute such consent to the retail distribution arrangement. All such appointment(s) shall be

evidenced by the execution of the Bond Purchase Contract. Notwithstanding anything to the contrary contained herein, the appointment of a firm to serve as a co-senior manager or co-manager for any Series of the First Supplemental Bonds does not provide any assurance that such firm will serve as a co-senior manager or co-manager for any other Series of the First Supplemental Bonds authorized to be issued under this First Supplemental Resolution.

(b) The purchase of one or more Series of the First Supplemental Bonds by the Underwriters and the sale of one or more Series of the First Supplemental Bonds 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") for the applicable Series of the First Supplemental Bonds 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 in connection with the applicable Series of the First Supplemental Bonds. 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 the applicable Series of the First Supplemental 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 First Supplemental Bonds and to execute and deliver such 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 applicable Series of the First Supplemental 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 First Supplemental Bonds does not exceed the limitations set forth in paragraph (a) of Section 2.1 of this First Supplemental Resolution.

## **2.5. Approval of the Preliminary Official Statement.**

A Preliminary Official Statement (the "Preliminary Official Statement") relating to the sale of each Series of the First Supplemental 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 with respect to each Series of the First Supplemental Bonds. An Authorized Authority Official is hereby authorized, with the advice of Bond Counsel and the State Attorney General, to execute and deliver a certificate, or to include a provision in the Bond Purchase Contract, that "deems final" the Preliminary Official Statement relating to each Series of the First Supplemental Bonds pursuant to the provisions of Rule 15c2-12, and such certificate or provision 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, via electronic medium, in addition to or in lieu of physical, printed medium, of the Preliminary Official Statement by an Authorized Authority Official in connection with the sale of each Series of the First Supplemental Bonds, with such changes, insertions, deletions and omissions in such 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 First Supplemental 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 First Supplemental 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 with respect to each Series of the First Supplemental Bonds. 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 First Supplemental 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 First Supplemental 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 First Supplemental Bonds by executing and delivering a Series Certificate or Certificates of any one such Authorized Authority Official, provided that the final terms and conditions of each Series of the First Supplemental Bonds as set forth in the Series Certificate shall be subject to the written approval of the Treasurer:

(a) To determine, subject to the provisions of this First Supplemental Resolution, the appropriate Series designations, respective principal amounts, the interest rate or rates, the dated dates, the interest and principal payment and maturity dates, the denomination or denominations and the redemption provisions of each Series of the First Supplemental 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 or the Act.

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

(c) To file, with the Trustee, a copy of this First 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) With respect to each Series of the First Supplemental Bonds, to execute a final Official Statement of the Authority, dated the date of sale of such Series of the First Supplemental Bonds, substantially in the form of the Preliminary Official Statement for such Series of the First Supplemental 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 such final Official Statement to the Underwriters and to authorize the use of such final Official Statement and the information contained therein in connection with the offering and sale of such Series of the First Supplemental Bonds.

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

(f) To purchase one or more policies of municipal bond insurance with respect to any or all of the maturities of each Series of the First Supplemental Bonds if an Authorized Authority Official determines that such policy or policies of municipal bond insurance are necessary or desirable to achieve the economic objectives of the Authority, to include in the Series Certificate for such Series of the First Supplemental Bonds such provisions relating to the insurance policy or policies as such Authorized Authority Official, with the advice of Bond Counsel and the State Attorney General, deems appropriate and to include on the form of any First Supplemental 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. The cost of any such policy or policies of municipal bond insurance may be paid from the proceeds of the applicable Series of the First Supplemental Bonds.

(g) To select and appoint a firm, through a competitive RFP/RFQ process, to serve as bidding agent to solicit bids to enter into or purchase Investment Securities with the proceeds from each Series of the First Supplemental Bonds in the event that such Authorized Authority Official determines that it is advantageous to the Authority to invest any proceeds of such Series of the First Supplemental Bonds in such Investment Securities.

(h) Prior to the issuance of the first Series of the First Supplemental Bonds, to make such revisions to this First Supplemental Resolution as may be requested by any Rating Agency in connection with its respective rating of such Series of the First Supplemental Bonds, or by the issuer of any municipal bond insurance policy insuring any of the First Supplemental Bonds of such Series, provided that such revisions, if any, shall be memorialized in the Series Certificate for such Series of the First Supplemental Bonds.

(i) In light of changing market conditions and in order to issue the First Supplemental Bonds on the terms most favorable to the Authority, in addition to all other matters authorized in this First Supplemental Resolution, the Authorized Authority Officials, in consultation with the Treasurer, are authorized to make such other determinations, to execute such other documents, instruments and agreements and to do such other acts and things as may be necessary or advisable in connection with the issuance of each Series of the First Supplemental Bonds or as may be appropriate based on a change in market conditions, provided that any such other determinations, documents, instruments and agreements, acts and things shall be in furtherance of, and not conflict with, the provisions of this First Supplemental Resolution, the Resolution or the Act. Any and all actions heretofore taken by the Authorized Authority Officials in connection with the issuance of the First Supplemental Bonds are hereby ratified.

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

(k) To prepare, execute and submit an application for one or more ratings by the Rating Agencies for each Series of the First Supplemental Bonds, and to include in the Series Certificate for such Series of the First Supplemental Bonds such provisions relating to the rating(s) as an Authorized Authority Official, with the advice of Bond Counsel and the State Attorney General, deems appropriate. The cost of any such rating(s) may be paid from the proceeds of the applicable Series of the First Supplemental Bonds.

(l) To solicit proposals for an institution to act as Trustee, Paying Agent, Registrar, Tender Agent and Dissemination Agent under the Resolution pursuant to a competitive Request for Proposals/Request for Qualifications process, and to select and appoint as such Trustee, Paying Agent, Registrar, Tender Agent and Dissemination Agent, the institution submitting the proposal, conforming to the requirements of the Request for Proposals or Request for Qualifications which is most advantageous to the Authority, price and other factors considered. In making its appointment as aforesaid, the Authorized Authority Officials shall have the right to waive any irregularities or informalities in any proposals received by it, to reject any proposal which the Authorized Authority Officials deem not to be in compliance with the requirements set forth in the request for proposals and to reject all proposals.

All matters determined by an Authorized Authority Official under the authority of this First Supplemental Resolution shall constitute and be deemed matters incorporated into this First 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 First 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.**

Each Series of the First Supplemental Bonds shall be issued in fully registered form in the denominations as set forth in the applicable Series Certificate. Unless the Authority shall otherwise direct, each Series of the First Supplemental 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 First Supplemental Bonds and the Trustee's Certificate of Authentication thereon shall be substantially in the form set forth in Section 130i of the Resolution.

## **2.10. Redemption.**

Each Series of the First Supplemental Bonds may be subject to redemption prior to maturity as provided in the applicable Series Certificate.

## **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 First Supplemental Bonds shall be, and the First Supplemental Bonds shall be registered in the name of, Cede & Co., as nominee of DTC. With respect to the First Supplemental Bonds for which Cede & Co. shall be the registered Holder, payment of interest on such First Supplemental Bonds shall be made by wire transfer of same day funds to the account of Cede & Co. on the Interest Payment Dates for the First Supplemental Bonds at the address indicated for Cede & Co. in the registration books of the Authority kept by the Trustee, as Bond Registrar.

2. The First Supplemental Bonds of each 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 First Supplemental Bond shall be registered on the registration books of the Authority kept by the Trustee in the name of Cede & Co. With respect to First Supplemental 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 First Supplemental 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 First Supplemental 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 First Supplemental 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 First Supplemental Bond. The Authority and the Trustee may treat DTC as, and deem DTC to be, the absolute registered Holder of each First Supplemental Bond for the purpose of (i) payment of the principal of, redemption premium, if any, and interest on each such First Supplemental Bond, (ii) giving notices with respect to the First Supplemental Bond, (iii) registering transfers with respect to a First Supplemental Bond and (iv) for all other purposes whatsoever. The Trustee shall pay the principal of, redemption premium, if any, and interest on each First Supplemental Bond 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 First Supplemental Bond evidencing the obligation of the Authority to make payments of principal and interest thereon pursuant to this First Supplemental 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 First Supplemental Resolution shall refer to such new nominee of DTC.

3. (a) DTC may determine to discontinue providing its services with respect to a particular Series of the First Supplemental 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 book-entry-only transfer through DTC (or a successor securities depository) with respect to a particular Series of the First Supplemental Bonds, in which event certificates for such First Supplemental Bonds shall be printed and delivered to DTC, and (ii) shall terminate the services of DTC with respect to a particular Series of the First Supplemental 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 First Supplemental Bonds of such Series to the effect, that (A) DTC is unable to discharge its responsibilities with respect to such First Supplemental Bonds or (B) a continuation of the requirement that all of the Outstanding First Supplemental 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 the First Supplemental Bonds of such Series.

(c) Upon the termination of the services of DTC with respect to the First Supplemental Bonds of a Series pursuant to subsection 2.11(3)(b)(ii)(A) hereof, or upon the discontinuance or termination of the services of DTC with respect to the First Supplemental Bonds of such Series 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 First Supplemental Bonds 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 the Holders of such First Supplemental Bonds transferring or exchanging such First Supplemental Bonds shall designate, in accordance with the provisions of the Resolution. Upon the determination by any party authorized herein that the First Supplemental Bonds 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 First Supplemental Bonds from such book-entry only form to a fully registered form.

4. Notwithstanding any other provision of this First Supplemental Resolution to the contrary, so long as any First Supplemental 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 First Supplemental 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 First Supplemental Bonds.

5. In connection with any notice or other communication to be provided to Holders of the First Supplemental 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 Holders, 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 First Supplemental Bonds.**

The proceeds of each Series of First Supplemental Bonds shall be applied as set forth in the applicable Series Certificate with respect to such Series, subject to the following provisions:

(a) In the event an Authorized Authority Official determines to purchase one or more policies of municipal bond insurance and/or commitments for municipal bond insurance as authorized pursuant to Section 2.8(f) of this First Supplemental Resolution, there shall be sent by wire transfer directly from the Senior Managing Underwriter to the provider of such policy or policies of municipal bond insurance, an amount as shall be specified in the applicable Series Certificate constituting the premium for such policy or policies; and

(b) There is hereby established a special subaccount to be known as the "2012 Series AA Bonds Transportation Program Improvement Proceeds Subaccount" in the Proceeds Account of the Transportation Program Improvement Fund established under the Resolution for each Series of the First Supplemental Bonds. There shall be deposited in such subaccount such amount as may be designated by an Authorized Authority Official to be applied to the payment of State Transportation System Costs, including the costs of issuance of the applicable Series of the First Supplemental Bonds, as specified in the applicable Series Certificate. Amounts in such subaccount may be combined with any other moneys in the Transportation Program Improvement Fund for purposes of investment.

#### **2.13. Approval of State Contract.**

The State Contract, substantially in the form presented to this meeting, is hereby approved, provided that an Authorized Authority Official is hereby authorized, with the advice of the State Attorney General and Bond Counsel, to make such changes and insertions to and omissions from such form of the State Contract as may be appropriate. An Authorized Authority

Official is hereby authorized, with the advice of the State Attorney General and Bond Counsel, to execute and deliver to the Treasurer the State Contract.

**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 First Supplemental 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 Program Reserve Fund.**

Notwithstanding any provision of the Resolution to the contrary, any amounts paid from the Authority Program 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 First Supplemental Bonds shall be deemed operating expenses for purposes of Section 508 of the Resolution and the Authority may provide therefor in its Annual Budget.

**ARTICLE IV  
EFFECTIVE DATE**

**4.1. Effective Date.**

This First Supplemental Resolution shall take effect upon its adoption in accordance with the Act, but this First 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 First 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.



McCarter & English, LLP  
Draft #3  
Dated: October 5, 2012

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**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**

**\$326,260,000**  
**Transportation System Bonds, 2012 Series A**

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**BOND PURCHASE CONTRACT**

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**Dated: \_\_\_\_\_, 2012**

\_\_\_\_\_, 2012

New Jersey Transportation Trust Fund Authority  
1035 Parkway Avenue  
Trenton, New Jersey 08625

Ladies and Gentlemen:

The undersigned (the “Manager”), as representative acting for and on behalf of ourselves and the underwriters named in the list attached hereto as Schedule I and incorporated herein by this reference (the Manager and said underwriters being herein collectively referred to as the “Underwriters”), hereby offers to enter into this Bond Purchase Contract (the “Purchase Contract”) with the New Jersey Transportation Trust Fund Authority (the “Authority”) for the purchase by the Underwriters of the Authority’s \$326,260,000 aggregate principal amount of Transportation System Bonds, 2012 Series A (the “2012 Series Bonds”). This offer is made subject to acceptance prior to 11:59 p.m. prevailing New Jersey Time, on the date hereof. Upon such acceptance, as evidenced by signatures in the spaces provided therefor below, this Purchase Contract shall be in full force and effect in accordance with its terms and shall be binding upon the Authority and the Underwriters.

1. (a) Sale of the 2012 Series Bonds. Upon the terms and conditions and upon the basis of the representations herein set forth, the Underwriters, jointly and severally, hereby agree to purchase from the Authority, and the Authority agrees to execute and deliver to the Underwriters, all (but not less than all) of the 2012 Series Bonds at an aggregate purchase price (the “Purchase Price”) of \$\_\_\_\_\_, which is equal to the aggregate principal amount of 2012 Series Bonds, plus net original issue premium in the amount of \$\_\_\_\_\_, less an Underwriters’ discount in the amount of \$\_\_\_\_\_. The 2012 Series Bonds shall be dated the date of their initial issuance and delivery and shall be issued in the principal amounts, mature on the dates, bear interest at the rates, shall be payable at the times and be offered for sale at the initial prices or yields, as set forth in Schedule II attached hereto and incorporated herein by this reference. The 2012 Series Bonds shall be subject to redemption prior to maturity as set forth in Schedule II.

The 2012 Series Bonds are being issued pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984, L. 1984, c.73, as amended and supplemented, constituting N.J.S.A. 27:1B-1 et seq. (the “Act”), and the Authority’s 1995 Transportation System Bond Resolution, adopted on June 15, 1995 (the “1995 Transportation System Bond Resolution”), as amended and supplemented, including as supplemented by the Twenty-Eighth Supplemental Transportation System Bond Resolution adopted on \_\_\_\_\_, 2012 (the “Twenty-Eighth Supplemental Resolution”), and a certificate of the Authority, dated as of the date hereof and entitled “2012 Series A Certificate” (the “Series Certificate”). The 1995 Transportation System Bond

Resolution, as heretofore amended and supplemented, including as supplemented by the Twenty-Eighth Supplemental Resolution and the Series Certificate, is collectively referred to herein as the "Resolution." Capitalized terms used but not defined in this Purchase Contract shall have the meanings given to them in the Resolution or in the Official Statement (as hereinafter defined). TD Bank, National Association, has been appointed trustee (the "Trustee") for obligations to be issued under the Resolution.

The 2012 Series Bonds are being issued for the purposes of (i) paying State Transportation System Costs and (ii) paying costs of issuance of the 2012 Series Bonds.

The Act provides for certain payments to be made from the Transportation Trust Fund Account (as defined in the Act) in the State General Fund to the Authority subject to and dependent upon appropriations being made from time to time by the New Jersey State Legislature (the "State Legislature") for such purpose. Pursuant to the Act, the Authority has entered into an agreement entitled "Third Amended and Restated Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act with Respect to Transportation System Bonds", dated as of \_\_\_\_\_, 2012 (the "State Contract"), with the Treasurer (the "State Treasurer") of the State of New Jersey (the "State" or "New Jersey") and the Commissioner of the New Jersey Department of Transportation (the "Commissioner") to implement such payments and other arrangements provided for in the Act. All amounts payable under the State Contract are subject to and dependent upon appropriations being made from time to time by the State Legislature for such purpose. The State Legislature has no legal obligation to make any such appropriations.

NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION) IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE 2012 SERIES BONDS. THE 2012 SERIES BONDS ARE SPECIAL OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY OUT OF PROPERTY PLEDGED UNDER THE RESOLUTION AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE RESOLUTION FOR PAYMENT OF THE 2012 SERIES BONDS. THE 2012 SERIES BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER. NOTHING IN THE RESOLUTION SHALL BE CONSTRUED TO AUTHORIZE THE AUTHORITY TO INCUR INDEBTEDNESS ON BEHALF OF OR IN ANY WAY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION).

The Underwriters hereby agree to make a bona fide public offering of the 2012 Series Bonds, solely pursuant to the Official Statement, at the initial offering prices or yields set forth on the inside cover page of the Official Statement, reserving, however, the right to change such initial offering prices or yields as the Underwriters shall deem necessary in connection with the marketing of the 2012 Series Bonds and to offer and sell the 2012 Series Bonds to certain dealers (including dealers depositing the 2012 Series Bonds into investment trusts) at concessions to be



determined by the Underwriters. The Underwriters also reserve the right to over-allot or effect transactions that stabilize or maintain the market price of the 2012 Series Bonds at a level above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time. In accordance with L. 2005, c. 92, the Underwriters agree that all services performed under this Purchase Contract or any subcontract under this Purchase Contract shall be performed within the United States.

In addition, the Underwriters agree that the allocation of 2012 Series Bonds and fees received by each member of the underwriting syndicate, if applicable, shall be reported to the Authority within thirty (30) days after the Closing (as hereinafter defined) of the 2012 Series Bonds. The parties agree and acknowledge that the failure by the Underwriters to comply with the provisions of this paragraph will not void the sale hereunder of the 2012 Series Bonds or otherwise constitute a default or breach by the Underwriters hereunder.

(b) Executive Order No. 9 (Codey 2004) Compliance. Pursuant to Executive Order No. 9 (Codey 2004) ("Executive Order No. 9"), dated and effective as of December 6, 2004, it is the policy of the State that in all cases where bond underwriting services are or may be required by the State or any of its departments, agencies or independent authorities, such department, agency or independent authority shall deal directly with the principals of the underwriting firms or their registered lobbyists. The department, agency, or independent authority shall not discuss, negotiate, or otherwise interact with any third-party consultant, other than the principals of underwriting firms and their registered lobbyists, with respect to the possible engagement of the firm to provide bond underwriting services. Compliance with Executive Order No. 9 is a material term and condition of this Purchase Contract and is binding upon the parties hereto, including all of the Underwriters.

(c) Compliance with L. 2005, c. 271. The Manager hereby acknowledges for itself, and, based upon the representations and warranties received by the Manager from the other Underwriters under the Agreement Among Underwriters, dated \_\_\_\_\_, 2012 (the "AAU"), for the other Underwriters, that each Underwriter has been advised of their responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to N.J.S.A. 19:44A-20.13 (L. 2005, c. 271, section 3) if such Underwriter enters into agreements or contracts, such as this Purchase Contract, with a public entity, such as the Authority, and receives compensation or fees in excess of \$50,000 or more in the aggregate from public entities, such as the Authority, in a calendar year. It is the Underwriters' responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

2. **Good Faith Deposit.** The Manager herewith delivers, as a good faith deposit, either a corporate check payable to the order of the Authority or a wire transfer of federal funds in the amount of \$\_\_\_\_\_, which represents one percent (1.00%) of the par amount of the 2012 Series Bonds as set forth in the Preliminary Official Statement (as hereinafter defined) (the "Good Faith Deposit") as security for the performance by the Underwriters of their obligation to accept and pay for the 2012 Series Bonds at the Closing in accordance with the provisions of this Purchase Contract. In the event that the Authority does not accept this offer, the Good Faith Deposit shall be immediately returned to the Manager. If

said Good Faith Deposit is in the form of a check, such check shall be held uncashed by the Authority, subject to the provisions of the last paragraph of this Section 2. No interest shall be deemed earned by or payable to the Underwriters on the Good Faith Deposit. Concurrently with the delivery of and payment for the 2012 Series Bonds at the Closing, the Good Faith Deposit shall be returned to the Manager, or, if agreed to by the parties hereto, retained by the Authority and applied as a credit against the total Purchase Price to be paid by the Underwriters.

Upon the Authority's failure to deliver the 2012 Series Bonds at the Closing, or if the conditions to the obligations of the Underwriters contained in this Purchase Contract are not satisfied or waived by the Manager, or if such obligations shall be terminated for any reason permitted by this Purchase Contract, the Good Faith Deposit shall be immediately returned to the Manager and such return shall constitute a full release and discharge of all claims and rights hereunder of the Underwriters against the Authority.

In the event that the Underwriters fail (other than for a reason permitted under this Purchase Contract) to accept and pay for the 2012 Series Bonds at the Closing, the Good Faith Deposit shall be retained by the Authority as and for full, liquidated damages for such failure and as and for all defaults hereunder on the part of the Underwriters, and thereupon all claims and rights hereunder of the Authority against the Underwriters shall be fully released and discharged.

3. **Official Statement.** The Authority has previously authorized the distribution of the Preliminary Official Statement, dated \_\_\_\_\_, 2012, relating to the 2012 Series Bonds (the "Preliminary Official Statement"), and, by its execution of this Purchase Contract, has deemed such Preliminary Official Statement final for the purposes and within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended (the "Rule"). The Authority will provide, within seven (7) business days after the date of this Purchase Contract (but no later than one (1) day prior to the date of the Closing), an electronic copy, subject to customary disclaimers regarding the transmission of electronic copies, of the final Official Statement relating to the 2012 Series Bonds (the "Official Statement") to the Underwriters in the currently required designated format stated in Municipal Securities Rulemaking Board ("MSRB") Rule G-32 and the EMMA Dataport Manual (as hereinafter defined). By acceptance of this Purchase Contract, the Authority authorizes the use by the Underwriters of the Official Statement in connection with the public offering and sale of the 2012 Series Bonds. Within one business day after the receipt of the Official Statement from the Authority, but in no event later than the date of the Closing, the Manager shall, at its own expense, submit the Official Statement to EMMA (as hereinafter defined). The Manager will comply with the provisions of MSRB Rule G-32 as in effect on the date hereof, including, without limitation, the submission of Form G-32 and the Official Statement, and notify the Authority of the date on which the Official Statement has been filed with EMMA.

"EMMA" shall mean the MSRB's Electronic Municipal Market Access system, or any other electronic municipal securities information access system designated by the MSRB for collecting and disseminating primary offering documents and information.

"EMMA Dataport Manual" shall mean the document(s) designated as such published by the MSRB from time to time setting forth the processes and procedures with

respect to submissions to be made to the primary market disclosure service of EMMA by underwriters under MSRB Rule G-32.

In addition, the Manager will provide to the Authority the copy of the notice sent to all purchasers of the 2012 Series Bonds from the Underwriters advising it as to the manner pursuant to which such purchasers can obtain a copy of the Official Statement from EMMA and indicating to them that a printed copy of the Official Statement will be provided to them upon their request. The Authority agrees to provide the Underwriters with an amount of printed Official Statements in such quantities that the Underwriters may reasonably request; provided, that the number of copies the cost for which the Authority is responsible will not exceed [250] copies. Should the Underwriters require additional copies of the Official Statement, the Authority agrees to cooperate with the Underwriters in obtaining such copies, the cost of such additional copies to be borne by the Underwriters.

4. **Representations and Agreements.**

(a) The Authority represents to and agrees with the Underwriters that:

(i) the Authority is a public body corporate and politic and an instrumentality of the State created pursuant to the Act, and has the power and authority to adopt the Resolution; to execute and deliver the State Contract; to enter into this Purchase Contract; to execute and deliver the Continuing Disclosure Agreement dated the date of Closing (the "Continuing Disclosure Agreement") to be entered into by and among the Treasurer, the Authority and the Trustee, as Dissemination Agent, relating to the 2012 Series Bonds; and to carry out the Authority's obligations required in connection with the consummation of the transactions contemplated by the Resolution, this Purchase Contract, the 2012 Series Bonds, the Official Statement and the Continuing Disclosure Agreement;

(ii) the Authority, concurrently with or prior to the acceptance hereof, has duly adopted the Resolution and duly authorized the execution and delivery of this Purchase Contract, the State Contract and the Continuing Disclosure Agreement; has duly authorized and approved the Preliminary Official Statement and the Official Statement and the distribution thereof; has duly authorized and approved the execution and delivery of, and the performance by the Authority of its obligations contained in, the State Contract, the Continuing Disclosure Agreement and this Purchase Contract; and has duly authorized and approved the sale of the 2012 Series Bonds to the Underwriters, and the consummation by it of all other transactions contemplated by this Purchase Contract;

(iii) the adoption of the Resolution, the execution and delivery of the Continuing Disclosure Agreement, the 2012 Series Bonds, the State Contract and this Purchase Contract and compliance by the Authority with the provisions thereof and hereof, under the circumstances contemplated thereby and hereby, and the consummation of all transactions to which the Authority is a party contemplated by the Continuing Disclosure Agreement, the 2012 Series Bonds, the Resolution, the State Contract and this Purchase Contract have been duly authorized by all necessary action on the part of the Authority and, to the knowledge of the Authority, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default by the Authority under any indenture, agreement or other instrument to which the Authority is a

party, or conflict with, violate or result in a breach of any existing applicable law, public administrative rule or regulation, judgment, court order or consent decree to which the Authority is subject;

(iv) all approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the Authority of its obligations under the Resolution, the 2012 Series Bonds, the State Contract, the Continuing Disclosure Agreement and this Purchase Contract have been obtained or will have been obtained as of the date of the Closing;

(v) the statements and information relating to the Authority contained in the Official Statement under the captions "THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY," "THE TRANSPORTATION SYSTEM IMPROVEMENTS," "THE NEW JERSEY DEPARTMENT OF TRANSPORTATION" and "LITIGATION" do not, as of the date of acceptance hereof, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading;

(vi) if the Official Statement is supplemented or amended pursuant to Section 8 hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to Section 8 hereof) at all times during the period from the date of such supplement or amendment to and including twenty-five (25) days following the end of the underwriting period for the 2012 Series Bonds (as determined in accordance with Section 8 hereof), the statements and information relating to the Authority contained under the captions "THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY," "THE TRANSPORTATION SYSTEM IMPROVEMENTS," "THE NEW JERSEY DEPARTMENT OF TRANSPORTATION" and "LITIGATION," as so supplemented or amended, will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements and information contained therein, in the light of the circumstances under which they were made, not misleading;

(vii) As of the date hereof, there is not, except as disclosed in the Official Statement, any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending against the Authority, and the Authority has no knowledge of any such action, suit, proceeding, or investigation, at law or in equity, before or by any court, public board or body in any other jurisdiction, and, to the knowledge of the Authority, no such action is threatened, in any way contesting or questioning the title of any of the officers of the Authority to their offices, or seeking to restrain, enjoin or contest the issuance, sale or delivery of the 2012 Series Bonds, or in any way contesting or affecting the validity or enforceability of the Resolution, the State Contract, the Continuing Disclosure Agreement or this Purchase Contract or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the Authority or its authority with respect to the Resolution, the Continuing Disclosure Agreement or this Purchase Contract;

(viii) When delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of the Resolution and this Purchase Contract, and as described in the Official Statement, the 2012 Series Bonds will have been duly authorized, executed, issued and delivered and will constitute special obligations of the Authority entitled to the benefits and security of the Resolution;

(ix) None of the officers, members, agents or employees of the Authority shall be personally liable for the performance of any obligation under this Purchase Contract; and

(x) In order to enable the Underwriters to comply with the requirements of the Rule, the Treasurer, the Authority, and the Trustee, as Dissemination Agent, have agreed to execute and deliver the Continuing Disclosure Agreement in substantially the form annexed to the Official Statement.

(b) The Manager represents and warrants to the Authority that as of the date hereof and the Closing date:

(i) The Manager is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, having all requisite corporate power and authority to carry on its business as now constituted;

(ii) The Resolution, the State Contract, the Continuing Disclosure Agreement and this Purchase Contract have been reviewed by the Manager and contain terms acceptable to, and agreed to by, the Manager;

(iii) The Manager has the requisite authority to enter into this Purchase Contract, and this Purchase Contract has been duly authorized, executed and delivered by the Manager on behalf of the Underwriters and, assuming the due authorization, execution and delivery by the Authority, is the legal, binding and valid obligation of the Underwriters, enforceable against the Underwriters in accordance with its terms, except that the enforceability hereof may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws or equitable principles affecting creditors' rights or remedies generally;

(iv) The Manager has been duly authorized to execute this Purchase Contract and to act hereunder by and on behalf of the Underwriters;

(v) The Manager has not entered into, and based upon the representations and warranties received by the Manager from the other Underwriters under the AAU, the Manager is not aware that any other Underwriter has entered into any undisclosed financial or business relationships, arrangements or practices required to be disclosed in the Official Statement pursuant to Securities and Exchange Commission Release No. 33-7049; 34-33741; FR-42; File No. S7-4-94 (March 9, 1994) or required to be disclosed in the Official Statement pursuant to the MSRB rules;

(vi) The Manager represents and warrants for itself and, in reliance upon the representations and warranties made by the other Underwriters to the

Manager in the AAU, for the other Underwriters, that each Underwriter is in compliance with the provisions of Rules G-17, G-37 and G-38 of the MSRB;

(vii) The Manager will deliver or cause to be delivered at the Closing an issue price certificate with respect to the 2012 Series Bonds, dated the date of the Closing, signed by an authorized representative of the Manager, in substantially the form attached hereto as Exhibit F;

(viii) The Manager represents and warrants for itself, and in reliance upon the representations and warranties made by the other Underwriters to the Manager in the AAU, for the other Underwriters, that all information, certifications and disclosure statements previously provided in connection with L. 2005, c.51 which codified Executive Order No. 134 (McGreevey 2004) and Executive Order No. 117 (Corzine 2008) ("Executive Order No. 117") and as required by law, are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority and the State shall rely upon the truth of the statements contained herein in engaging the Manager and the Underwriters in connection with this transaction. The Manager agrees to execute and deliver at Closing a "L. 2005, c.51 and Executive Order No. 117 Certification of No Change" in the form attached hereto as Exhibit C, and the Manager has agreed on behalf of itself and, in reliance upon the representations and warranties made by the other Underwriters to the Manager in the AAU, for the other Underwriters to continue to comply with the provisions of L. 2005, c. 51 and Executive Order No. 117 as required by law, during the term of this Purchase Contract and for so long as the Underwriters have any obligation under this Purchase Contract; and

(ix) In accordance with Executive Order No. 9, dated and effective as of December 6, 2004, the Manager certifies for itself and, in reliance upon the representations and warranties made by the other Underwriters to the Manager in the AAU, for the other Underwriters, that neither the Manager nor any of the other Underwriters has employed or retained, directly or indirectly, any consultant who will be paid on a contingency basis if the Authority engages such firm to provide underwriting services in connection with the 2012 Series Bonds.

5. **Cooperation.** The Authority agrees to reasonably cooperate with the Manager and counsel to the Underwriters in any endeavor to qualify the 2012 Series Bonds for offering and sale under the securities or "Blue Sky" laws of such states as the Manager may request and will assist, if necessary, in continuing the effectiveness of such qualification so long as required for the distribution of the 2012 Series Bonds. The Authority consents to the use of the Official Statement by the Underwriters in obtaining such qualifications; provided, however, that the Authority shall not be required to consent to service of process or to file a written consent to suit or service of process. The Authority's failure to consent to service of process or to file a written consent to suit or service of process shall not relieve the Underwriters of their obligation to purchase the 2012 Series Bonds under this Purchase Contract.

6. **Closing.** At 10:00 a.m. prevailing New Jersey Time, on \_\_\_\_\_, 2012, or at such other time or on such earlier or later date as the Authority and the Manager mutually agree upon (herein called the "Closing"), the Authority will deliver or cause to be delivered the 2012 Series Bonds to the Trustee, as custodian for The Depository Trust Company,

New York, New York ("DTC"), for the account of the Underwriters. The Underwriters will accept delivery of the 2012 Series Bonds and pay the Purchase Price at the Closing in Federal Reserve Funds or other immediately available funds payable to the Authority or to the Trustee (or upon the Authority's direction to any other account). Simultaneously with the payment of the Purchase Price, the Underwriters shall pay \$[50,000] (the "Retainage"), or cause the Retainage to be paid, to the Trustee, which Retainage shall be applied by the Trustee in accordance with the provisions of Section 9(d) hereof. It is anticipated that CUSIP identification numbers will be printed on the 2012 Series Bonds, but neither the failure to print such numbers on any 2012 Series Bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the Underwriters to accept delivery of and make payment for the 2012 Series Bonds in accordance with the terms of this Purchase Contract. The 2012 Series Bonds shall be printed on safety paper and delivered in the form of a single fully registered bond for each stated maturity and interest rate within a maturity of each 2012 Series Bond, registered in the name of and to be held by or on behalf of Cede & Co., as nominee of DTC. The 2012 Series Bonds will be made available to the Underwriters or their designee for review at the offices of McCarter & English, LLP, Four Gateway Center, 100 Mulberry Street, Newark, New Jersey 07102 ("Bond Counsel"), at least one (1) business day prior to the Closing. After execution by the Authority and authentication by the Trustee, the 2012 Series Bonds shall be transferred to and held in safe custody by the Trustee, on behalf of DTC, in accordance with its FAST procedures, subject to such conditions as may be agreed upon by the Authority and the Manager. In addition, the Authority and the Underwriters agree that there shall be a preliminary closing held at the office of Bond Counsel commencing at least one (1) day prior to the Closing.

7. **Conditions Precedent to Closing.** The Underwriters have entered into this Purchase Contract in reliance upon the representations and agreements herein and the performance by the Authority of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriters' obligations under this Purchase Contract are and shall be subject to the following further conditions:

(a) At the time of Closing, (i) this Purchase Contract and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect after the date hereof except as may have otherwise been agreed to in writing by the Manager, (ii) each of the representations and warranties of the Authority herein shall be true, complete and correct in all material respects as if then made, and (iii) the Authority shall perform or have performed all obligations required under or specified in this Purchase Contract to be performed at or prior to the Closing;

(b) The Underwriters shall not have elected to cancel their obligations hereunder to purchase the 2012 Series Bonds, which election may be made by written notice by the Manager to the Authority only if between the date hereof and the Closing: (i) legislation shall be enacted by the Congress of the United States or any legislation, ordinance, rule or regulation shall be enacted by any governmental body, department or agency of the State or a final decision by a federal court (including the Tax Court of the United States) or a court of the State shall be rendered, or a final ruling, regulation or release or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other federal or State agency shall be made, with respect to federal or State taxation upon revenues or other income of the general character of interest on the 2012 Series Bonds, or which would have the effect of changing directly or indirectly the federal or State income tax consequences of interest on bonds

of the general character of the 2012 Series Bonds in the hands of the holders thereof, and which in the Manager's reasonable opinion, materially adversely affects the marketability of the 2012 Series Bonds; (ii) a stop order, ruling or regulation by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made (which is beyond the control of the Underwriters or the Authority to prevent or avoid) to the effect that the issuance, offering or sale of the 2012 Series Bonds, as contemplated by this Purchase Contract or by the Official Statement, or any document relating to the issuance, offering or sale of the 2012 Series Bonds, is in violation or would be in violation of any provision of the Securities Act of 1933, as amended, or the registration provisions of the Securities Exchange Act of 1934, as amended, or of the Trust Indenture Act of 1939, as amended as of the Closing; (iii) legislation shall be enacted by the Congress of the United States of America, or a final decision by a court of the United States of America shall be rendered, that has the effect of requiring the 2012 Series Bonds to be registered under the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or requiring the Resolution to be qualified under the Trust Indenture Act of 1939, as amended, and as then in effect; (iv) any event shall have occurred that, in the reasonable judgment of the Manager, either (A) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement, or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any materially adverse respect, and, such event in the reasonable judgment of the Manager, materially adversely affects (x) the marketability of the 2012 Series Bonds or (y) the ability of the Underwriters to enforce confirmations of or contracts for the sale of the 2012 Series Bonds; (v) a general banking moratorium shall have been declared by federal or State authorities and be in force; (vi) since the date of this Purchase Contract, there shall have occurred any new outbreak of hostilities or other national or international crisis or calamity, the effect of which on the financial markets of the United States of America, in the reasonable judgment of the Manager, is such as to materially and adversely affect the ability of the Underwriters to enforce confirmations of or contracts for the sale of the 2012 Series Bonds; or (vii) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets is such as to materially and adversely affect the marketability of the 2012 Series Bonds; and

(c) at or prior to the Closing, the Manager shall receive copies of each of the following documents, certificates and opinions, each dated the date of the Closing unless otherwise specified:

(i) the Resolution certified by an Authorized Authority Official;

(ii) (A) the approving opinion of Bond Counsel dated the date of Closing, substantially in the form included in the Official Statement; (B) the opinions of Bond Counsel dated the date of Closing required by Sections 202(1)(3) and 1004(2) of the Resolution; (C) a supplemental opinion of Bond Counsel, dated the date of Closing and addressed to the Authority, the State Treasurer and the Underwriters in substantially the form attached hereto as Exhibit A and incorporated herein by this reference; and (D) a reliance letter of Bond Counsel dated the date of Closing and addressed to the Underwriters, to the effect that the Underwriters may rely on the approving opinion referred to in clause (A) as if such opinion was addressed to the Underwriters;



(iii) an opinion of the Attorney General of the State in substantially the form attached hereto as Exhibit D;

(iv) letters of the Governor of the State and the Treasurer approving the adoption of the Twenty-Eighth Supplemental Resolution by the Authority at a meeting held on \_\_\_\_\_, 2012;

(v) a general certificate, dated the date of Closing, of the Authority as to incumbency, signatures and other matters and notice of meetings, including, but not limited to, a certification to the effect that minutes of the meeting of the Authority held on \_\_\_\_\_, 2012, as they relate to various actions taken in connection with the issuance of the 2012 Series Bonds, were duly delivered to the Governor in accordance with the Act and such minutes were approved by the Governor;

(vi) an executed copy of the State Contract, certified as of the date of Closing by an Authorized Authority Official as having been duly authorized, executed and delivered by the Authority and being in full force and effect with only such amendments, modifications or supplements subsequent to the date of this Purchase Contract as may have been agreed to by the Underwriters;

(vii) ratings letters or other documents providing evidence of the ratings for the 2012 Series Bonds as set forth in the Official Statement, which ratings shall not have been suspended, lowered or withdrawn prior to the date of the Closing;

(viii) an executed copy of each of the Continuing Disclosure Agreement and the Authority's Tax Certificate relating to the 2012 Series Bonds, dated the date of Closing;

(ix) a Certificate of the Trustee in form and substance satisfactory to the Manager, Bond Counsel and the Authority;

(x) an opinion of Counsel to the Trustee, addressed to the Authority and the Underwriters, in form and substance acceptable to the Authority, Bond Counsel and the Underwriters;

(xi) an opinion of Counsel to the Underwriters, in substantially the form attached hereto as Exhibit E;

(xii) a certificate of the Authority as required by Section 9(i) of the Act;

(xiii) the written order as to delivery of the 2012 Series Bonds required by Sections 202(1)(4) of the Resolution and a certificate of the Authority as required by Section 202(1)(6) of the Resolution;

(xiv) a certificate, dated the date of the Closing, signed by an Authorized Authority Official, to the effect that to the best of that person's knowledge, the representations of the Authority herein are true and correct in all material respects as if made as of the date of the Closing;

(xv) a certificate of the Treasurer relating to information in Appendix I of the Official Statement and certain other matters, the form of which certificate is set forth in Exhibit B attached hereto and incorporated herein by this reference;

(xvi) a copy of the Act, as amended to the date of the Closing, certified by the Secretary of the Authority or an Authorized Authority Official;

(xvii) executed copy of the IRS Form 8038-G relating to the 2012 Series Bonds;

(xviii) an executed acknowledgement and certification of the Authority and \_\_\_\_\_ in substantially the form attached hereto as Exhibit G;

(xix) such additional legal opinions, certificates, proceedings, instruments and other documents as may be required by the Series Certificate; and

(xx) such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriters, their counsel, Bond Counsel or the Attorney General of the State, may reasonably request to evidence compliance by the parties with legal requirements, the truth and accuracy, as of the time of Closing, of the parties' representations herein contained and the due performance or satisfaction by the parties at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the parties. All of the opinions, letters, certificates, instruments and documents (other than those, the form of which is specifically agreed to by the parties and the Underwriters as set forth in this Purchase Contract) shall be deemed to be in compliance with the provisions of this Purchase Contract if, but only if, in the reasonable judgment of the Underwriters, they are satisfactory in form and substance.

If there shall be a failure to satisfy the conditions to the Underwriters' obligations contained in this Purchase Contract, or if the Underwriters' obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and the parties shall have no further obligation hereunder, except that the respective obligations of the parties to pay expenses, as provided in Section 9 hereof, shall remain in full force and effect and except that the Good Faith Deposit shall be returned to the Manager in accordance with Section 2 hereof.

8. **Amendments and Supplements to the Official Statement.** The "end of the underwriting period" for the 2012 Series Bonds for all purposes of the Rule is the date of the Closing. During the period from the date hereof to and including a date which is twenty-five (25) days following the end of the underwriting period for the 2012 Series Bonds (as determined in accordance with this Section 8), the Authority will (a) not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Manager shall reasonably object in writing, unless the Authority and the Underwriters have obtained the written opinion of Bond Counsel, stating that such amendment or supplement is necessary in order to make the Official Statement not misleading in the light of the circumstances existing at the time that it is delivered to a purchaser, and (b) if any event relating to or affecting the Authority, the State or the 2012 Series Bonds shall occur as a result of which it

is necessary, in the written opinion of Bond Counsel addressed to the Authority and the Underwriters, to amend or to supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered, forthwith prepare and furnish to the Underwriters, subject to customary disclaimers regarding the transmission of electronic copies, an electronic copy of the amendment and supplement to the Official Statement to the Underwriters (in form satisfactory to the Authority and the Manager) in the currently designated format stated in MSRB Rule G-32. Within one business day of the receipt of such amendment and supplement, the Manager shall, at its own expense, file such amendment and supplement with EMMA in accordance with Rule G-32 and will provide notice of such filing to the Authority. The Manager agrees to comply with the provisions of MSRB Rule G-32 as in effect on the date hereof, with respect to the filing of such amendment or supplement to the Official Statement and to notify the Authority of the date on which such amendment or supplement to the Official Statement is filed with EMMA. In addition, the Authority will provide the Underwriters with printed copies of such amendment and supplement in such quantities that the Underwriters request; provided, that the number of copies for which the Authority is responsible will not exceed [250] copies. Should the Underwriters require additional copies of such amendment and supplement in excess of [250] copies, the cost of such additional copies shall be borne by the Underwriters.

9. **Expenses.** (a) If the 2012 Series Bonds are sold to the Underwriters hereunder, there shall be paid from the proceeds of the 2012 Series Bonds, all expenses incidental to the issuance of the 2012 Series Bonds, including, but not limited to: (i) the cost of the printing and delivery of the Preliminary Official Statement and Official Statement, together with a number of copies which the Underwriters deem reasonable, but not in excess of the amount specified in Section 3 hereof; (ii) the cost of the preparation and printing of the definitive 2012 Series Bonds; (iii) the fees and disbursements of Bond Counsel and any other experts or consultants retained by the Authority; (iv) the fees and disbursements of the Trustee and its counsel; and (v) the charges of the rating services and filing and listing fees.

(b) The Authority shall not be responsible for the payment of costs incurred by the Underwriters relating to any expenses incurred by them, including, without limitation, the fees and expenses of their counsel, and "Blue Sky" filing fees or advertising expenses in connection with the public offering of the 2012 Series Bonds, and the payment of the Underwriters' discount referred to in Section 1 hereof constitutes the only amount due to the Underwriters in connection with the sale and issuance of the 2012 Series Bonds. In addition, the Underwriters (and not the Authority) shall be responsible for paying the fees and expenses of the Verification Agent.

(c) In addition, the Manager shall not charge the Underwriters under the AAU or other similar agreement for a proportionate share of any expenses, unless the amount and type of such expenses have been approved in writing for such proportionate sharing by the Treasurer.

(d) The Retainage paid by the Underwriters to the Trustee simultaneously with the payment of the Purchase Price shall be held by the Trustee until such time as the Manager has provided the Authority and the Treasurer with all reports or other documents to which the Authority and the Treasurer may be entitled to pursuant to the Resolution, this Purchase Contract or the other documents executed and delivered in connection

herewith or therewith. Upon the delivery of written notice by the Treasurer to the Trustee stating that the Underwriters have satisfied the condition set forth in the preceding sentence, the Trustee shall disburse the Retainage to the Underwriters.

10. **Notices.** Any notice or other communication to be given under this Purchase Contract may be given by delivering the same in writing as follows:

New Jersey Transportation Trust Fund Authority:  
1035 Parkway Avenue  
P.O. Box 600  
Trenton, New Jersey 08625  
Attention: Executive Director

*with a required copy to:*

The State of New Jersey  
Office of Public Finance  
P.O. Box 005  
50 West State Street, 5th Floor  
Trenton, New Jersey 08625  
Attention: Director

MANAGER:

Barclays Capital Inc.  
745 Seventh Avenue, 13th Floor  
New York, New York 10019  
Attn: \_\_\_\_\_

11. **Counterparts.** This Purchase Contract may be executed in any number of counterparts, each of which so executed and delivered shall constitute an original and all of which together shall constitute but one and the same instrument.

12. **Assignment.** This Purchase Contract may not be assigned by either party without the written consent of the other party hereto.

13. **Benefit.** This Purchase Contract is made solely for the benefit of the Authority and the Underwriters (including the successors or assigns of any of said parties) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. The terms "successors" and "assigns" as used herein shall not include any purchaser, as such purchaser, of any of the 2012 Series Bonds from the Underwriters. All representations and agreements of the Authority and the Underwriters in this Purchase Contract shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriters and shall survive the delivery of and payment for the 2012 Series Bonds.

14. **Governing Law.** This Purchase Contract shall be governed by and construed in accordance with the laws of the State of New Jersey.

15. **Effect.** The performance of the obligations of the Authority hereunder is subject to the performance by the Underwriters of their obligations hereunder.

**BARCLAYS CAPITAL INC.,  
on behalf of the Underwriters, including  
itself**

By: \_\_\_\_\_

ACCEPTED:

**NEW JERSEY TRANSPORTATION TRUST  
FUND AUTHORITY**

By: \_\_\_\_\_  
GARY BRUNE  
Executive Director

**SCHEDULE I**

**LIST OF UNDERWRITERS**

Barclays Capital Inc.

**SCHEDULE II**

**AMOUNTS, MATURITIES, OTHER TERMS AND  
REDEMPTION PROVISIONS OF THE 2012 SERIES BONDS**

**\$326,260,000  
Transportation System Bonds, 2012 Series A**

<u>Maturity Date</u> (December 15)	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
	\$	%	%

\*Yield to first optional redemption date of June 15, 20\_\_.

**Redemption Provisions**

*Optional Redemption.* The 2012 Series Bonds maturing on or after June 15, 202\_ are subject to optional redemption prior to maturity at the option of the Authority, at any time on or after June 15, 202\_, either in whole or in part, from maturities selected by the Authority at a Redemption Price equal to 100% of the principal amount of the 2012 Series Bonds being redeemed, plus accrued interest thereon to the redemption date.

*Mandatory Sinking Fund Redemption.* The 2012 Series Bonds maturing on June 15, 20\_\_ and June 15, 20\_\_ are subject to mandatory sinking fund redemption prior to maturity, in part, on June 15 in each of the years and in the respective principal amounts set forth below, at a Redemption Price equal to 100% of the principal amount being redeemed, plus accrued interest, if any, to the date of redemption, from mandatory Sinking Fund Installments:

Term Bond Due June 15, 20__		Term Bond Due June 15, 20__	
<u>Redemption Date</u> (June 15)	<u>Principal</u> <u>Amount</u>	<u>Redemption Date</u> (June 15)	<u>Principal</u> <u>Amount</u>



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\* Final Maturity.

The 2012 Series Bonds may be purchased by the Authority to satisfy the above Sinking Fund Installments from amounts on deposit in the Debt Service Fund or from other available funds of the Authority. Unless the Trustee is otherwise directed in writing by the Authority, the 2012 Series Bonds so purchased shall be credited toward each Sinking Fund Installment thereafter to become due in an amount bearing the same ratio to each such Sinking Fund Installment as the total principal amount of all the 2012 Series Bonds so purchased bears to the total amount of all such Sinking Fund Installments to be so credited.

*Selection of Bonds to be Redeemed.* If the 2012 Series Bonds are registered in book-entry only form and so long as DTC, or a successor securities depository, is the sole registered owner of the 2012 Series Bonds and if less than all of the 2012 Series Bonds of a maturity are called for prior redemption, the particular 2012 Series Bonds or portions thereof to be redeemed shall be selected on a pro rata basis in accordance with DTC procedures.

If the 2012 Series Bonds are not registered in book-entry only form, any redemption of less than all of a maturity of the 2012 Series Bonds shall be effected by the Trustee among owners on a pro-rata basis subject to minimum Authorized Denominations.

*Notice of Redemption.* When the Trustee shall receive notice from the Authority of its election or direction to redeem the 2012 Series Bonds, and when redemption of the 2012 Series Bonds is authorized or required pursuant to the Resolution, the Trustee shall give notice, in the name of the Authority, of the redemption of such 2012 Series Bonds, which notice shall specify the maturities of the 2012 Series Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the 2012 Series Bonds of the same maturity are to be redeemed, the letters and numbers or other distinguishing marks of such 2012 Series Bonds so to be redeemed, and, in the case of 2012 Series Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on the redemption date there shall become due and payable upon each 2012 Series Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of 2012 Series Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice 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 2012 Series Bonds or portions of 2012 Series Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry books. Such notice shall also be given by publication once a week for at least two (2) successive weeks in any Authorized Newspaper, the first such publication to be made not less than thirty (30) days nor more than sixty (60) days prior to the

redemption date. Failure of the registered owner of any 2012 Series Bonds which are to be redeemed to receive any such notice, or failure of the Authority to publish notice of redemption as provided in the immediately preceding sentence, shall not affect the validity of the proceedings for the redemption of 2012 Series Bonds.

So long as DTC is acting as securities depository for the 2012 Series Bonds, all notices of redemption required to be given to the registered owners of the 2012 Series Bonds will be given to DTC.

**EXHIBIT A**

**FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL**

\_\_\_\_\_, 2012

New Jersey Transportation Trust Fund  
Authority  
1035 Parkway Avenue  
Trenton, New Jersey 08625

The Honorable Andrew P. Sidamon-Eristoff  
Treasurer of the State of New Jersey  
State House  
Trenton, New Jersey 08625

Barclays Capital Inc., as  
Manager of the Underwriters  
745 Seventh Avenue  
New York, New York 10019

Re: New Jersey Transportation Trust Fund Authority  
Transportation System Bonds, 2012 Series A

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance of \$326,260,000 aggregate principal amount of Transportation System Bonds, 2012 Series A (the "2012 Series Bonds"), by the New Jersey Transportation Trust Fund Authority (the "Authority"), a public body corporate and politic organized and existing under the laws of the State of New Jersey (the "State") created pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984, constituting Chapter 73 of the Laws of New Jersey of 1984, as amended and supplemented (the "Act").

The 2012 Series Bonds are being issued under and pursuant to the Act, and under and pursuant to the Authority's 1995 Transportation System Bond Resolution, adopted on June 15, 1995 (the "Bond Resolution"), as amended and supplemented, including as supplemented by the Twenty-Eighth Supplemental Transportation System Bond Resolution adopted by the Authority on \_\_\_\_\_, 2012 (the "Twenty-Eighth Supplemental Resolution"), and a series certificate of the Authority, dated as of \_\_\_\_\_, 2012 (the "Series Certificate"). The Bond Resolution, as heretofore amended and supplemented, including as supplemented by the Twenty-Eighth Supplemental Resolution, and, together with the Series Certificate, is referred to collectively herein as the "Resolution." Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Resolution or the Bond Purchase Contract relating to the 2012 Series Bonds, dated \_\_\_\_\_, 2012 (the "Purchase Contract"), between the Authority and Barclays Capital Inc., as Manager, acting on behalf of itself and the other Underwriters named therein.

The 2012 Series Bonds are being issued for the purposes of (i) paying State Transportation System Costs and (ii) paying costs of issuance of the 2012 Series Bonds.

The Act provides for certain payments to be made from the Transportation Trust Fund Account in the State General Fund to the Authority, subject to and dependent upon appropriations being made from time to time by the New Jersey State Legislature for such purpose. Pursuant to the Act, the Authority has entered into an agreement entitled "Third Amended and Restated Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act with Respect to Transportation System Bonds", dated as of October \_\_, 2012 (the "State Contract"), with the State Treasurer and the Commissioner of the New Jersey Department of Transportation (the "Commissioner") to implement such payments and other arrangements provided for in the Act.

In rendering the opinions set forth below, we have examined such matters of law and documents, certificates, records and other instruments as we have deemed necessary or appropriate to express the opinions set forth below, including, without limitation, the Act, original counterparts or certified copies of the Resolution, the State Contract, the Purchase Contract, the Continuing Disclosure Agreement and the other documents, certifications, instruments, opinions and records delivered in connection with the issuance of the 2012 Series Bonds. In rendering the opinions set forth below, we have assumed and relied upon, with your permission, the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinions we have relied, with your permission, upon the truthfulness, completeness and accuracy of the aforesaid instruments, certificates, opinions (other than the Attorney General's opinion), records and other documents without any independent investigation thereof.

Based on the foregoing, we are of the opinion that:

(1) The Purchase Contract, the Continuing Disclosure Agreement and the State Contract have been duly authorized, executed and delivered by the Authority and constitute legal, valid and binding obligations of the Authority, enforceable against the Authority in accordance with their respective terms, except as the enforcement thereof may be affected by applicable bankruptcy, insolvency, moratorium or other similar laws or legal principles relating to the enforcement of creditors' rights generally from time to time in effect and to the scope of equitable remedies which may be available.

(2) The Continuing Disclosure Agreement and the State Contract have been duly executed and delivered by the Treasurer and constitute legal, valid and binding obligations of the Treasurer, enforceable against the Treasurer in accordance with their respective terms, except as the enforcement thereof may be affected by applicable bankruptcy, insolvency, moratorium or other similar laws or legal principles relating to the enforcement of creditors' rights generally from time to time in effect and to the scope of equitable remedies which may be available.

(3) The information in the sections of the Official Statement (except for the financial, tabular and other statistical information included therein) entitled "INTRODUCTION," "SECURITY FOR THE 2012 SERIES BONDS," "STATUTORY DEBT

ISSUANCE LIMITATIONS,” “PLAN OF FINANCE,” “INTEREST RATE SWAP AGREEMENTS,” “DESCRIPTION OF THE 2012 SERIES BONDS” (except for information under the caption “Book-Entry Only System”), “THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY - Legal Authority and Responsibilities,” “THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY - Powers of the Authority,” “LEGALITY FOR INVESTMENT,” “CONTINUING DISCLOSURE AGREEMENT” and in Appendix II, was, as of the date of the Official Statement, and is, as of the date hereof, a true and accurate summary and description in all material respects of the information summarized or described therein. The statements on the front cover and contained in the section of the Official Statement entitled “TAX MATTERS,” insofar as such statements purport to summarize certain provisions of Federal and State tax law, regulations and rulings, are true and accurate summaries in all material respects of the provisions so summarized.

(4) The Authority has duly authorized the execution, delivery, and distribution of the Official Statement.

(5) The 2012 Series Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended.

(6) All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction (other than any Blue Sky or other state securities laws approvals) which constitute a condition precedent to the performance by the Authority of its obligations under the Purchase Contract and the 2012 Series Bonds, and its obligations under the Resolution and the State Contract relating to the 2012 Series Bonds, have been obtained and are in full force and effect.

In accordance with our understanding with you, we have participated in the preparation of the Official Statement and in that connection have participated in conferences with officers and representatives of the Authority, the Treasurer, the Attorney General of the State of New Jersey, the Underwriters, and Counsel to the Underwriters. Based upon our participation in the preparation of the Official Statement and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement other than as set forth in Paragraph 3 above, we have no reason to believe that, as of the date of the Official Statement and as of the date hereof, the Official Statement (except for the financial, tabular and other statistical information included therein, information with respect to DTC and the book-entry system for the 2012 Series Bonds and the information contained in the sections therein entitled “DESCRIPTION OF THE 2012 SERIES BONDS - Book-Entry Only System,” and “LITIGATION”, and in Appendix I thereto, as to all of which no view is expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The opinions expressed herein are based upon, and limited to, the laws and judicial decisions of the State, exclusive of conflicts of law provisions, and the federal laws and judicial decisions of the United States as of the date hereof and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our

opinions, or laws or judicial decisions hereafter enacted or rendered. Our engagement by the Authority with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or otherwise inform the addressees hereof of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for this opinion letter or of laws or judicial decisions hereafter enacted or rendered which impact on this opinion letter.

This opinion is furnished by us as bond counsel to the Authority and may be relied upon only by the addressees hereto in connection with the issuance and sale of the 2012 Series Bonds. This opinion letter is being furnished solely to the parties to whom it is addressed and may not be relied upon by any other person, although a copy of this opinion may be included in the closing transcript relating to the 2012 Series Bonds. This is only an opinion letter and not a warranty or guaranty of the matters discussed herein. Notwithstanding anything to the contrary contained herein, we acknowledge that this opinion is a government record subject to release under the Open Public Records Act (N.J.S.A. 47:1A-1 et seq.).

Very truly yours,

EXHIBIT B

CERTIFICATE OF THE TREASURER OF THE  
STATE OF NEW JERSEY  
REQUIRED BY THE PURCHASE CONTRACT FOR THE  
NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

\$326,260,000 Transportation System Bonds, 2012 Series A

I, ANDREW P. SIDAMON-ERISTOFF, the duly appointed Treasurer of the State of New Jersey (the "State"), DO HEREBY CERTIFY that:

1. The State has furnished the information contained in Appendix I entitled, "FINANCIAL AND OTHER INFORMATION RELATING TO THE STATE OF NEW JERSEY" (collectively, "Appendix I") which is included in the Official Statement (the "Official Statement"), dated \_\_\_\_\_, 2012, relating to the issuance of \$326,260,000 aggregate principal amount of the New Jersey Transportation Trust Fund Authority's Transportation System Bonds, 2012 Series A, and consents to the use of such information in Appendix I of the Official Statement.

2. The information contained in Appendix I as of the date of the Official Statement did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

3. There has been no material adverse change in the financial condition and affairs of the State during the period from the date of the Official Statement to and including the date hereof which has not been disclosed in or contemplated by Appendix I.

4. Except as set forth above, the State has not furnished, and makes no representation with respect to, any other information contained in the Official Statement, including information contained in the other appendices thereto.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_, 2012.

TREASURER, STATE OF NEW JERSEY

\_\_\_\_\_  
ANDREW P. SIDAMON-ERISTOFF

EXHIBIT C

FORM OF L. 2005, c.51 AND EXECUTIVE ORDER NO. 117  
CERTIFICATION OF NO CHANGE

I, \_\_\_\_\_, \_\_\_\_\_ of Barclays Capital Inc. (the "Manager"), in reliance upon the representations and warranties made to the Manager in the Agreement Among Underwriters, dated \_\_\_\_\_, 2012, by the other Underwriters (collectively, the "Underwriters") listed on Schedule I to the Bond Purchase Contract (the "Purchase Contract"), dated \_\_\_\_\_, 2012, by and between the New Jersey Transportation Trust Fund Authority (the "Authority") and the Manager, on behalf of itself and the other Underwriters, relating to the Authority's \$326,260,000 Transportation System Bonds, 2012 Series A (the "2012 Series Bonds"), HEREBY CERTIFY, on behalf of the Manager and the other Underwriters, that all information, certifications and disclosure statements previously provided in connection with L. 2005, c.51 and Executive Order No. 117 (Corzine 2008) and, as required by law, are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority and the State of New Jersey will rely upon the truth of the statements contained herein and in the Purchase Contract in engaging the Manager and the other Underwriters in connection with the sale and issuance of the 2012 Series Bonds.

IN WITNESS WHEREOF, I have executed this Certificate this \_\_\_\_ day of \_\_\_\_\_, 2012.

BARCLAYS CAPITAL INC.

By: \_\_\_\_\_  
Name:  
Title:



EXHIBIT D

FORM OF OPINION OF THE ATTORNEY GENERAL  
OF THE STATE OF NEW JERSEY

\_\_\_\_\_, 2012

Treasurer of the State of New Jersey  
State House  
Trenton, New Jersey 08625

New Jersey Transportation Trust  
Fund Authority  
1035 Parkway Avenue  
Trenton, New Jersey 08625

Dear State Treasurer and Members of the Authority:

We have acted as counsel to the New Jersey Transportation Trust Fund Authority (the "Authority"), a public body corporate and politic of the State of New Jersey (the "State") in connection with the issuance of \$326,260,000 aggregate principal amount of Transportation System Bonds, 2012 Series A (the "2012 Series Bonds"). We also act as counsel to the State in accordance with N.J.S.A. 52:17A-4.

The 2012 Series Bonds are being issued under and pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984, L. 1984, c.73, as amended (the "Act"), and pursuant to a resolution of the Authority, adopted on June 15, 1995, entitled "1995 Transportation System Bond Resolution" (the "Bond Resolution"), as supplemented by a resolution of the Authority, adopted on \_\_\_\_\_, 2012, entitled "Twenty-Eighth Supplemental Transportation System Bond Resolution" (the "Twenty-Eighth Supplemental Resolution"), and a series certificate of the Authority, dated as of \_\_\_\_\_, 2012 (the "Series Certificate") (the Bond Resolution, as amended and supplemented, including as supplemented by the Twenty-Eighth Supplemental Resolution and the Series Certificate, being hereinafter called the "Resolution"). Capitalized terms used but not defined herein shall have the meanings given to them in the Resolution.

The 2012 Series Bonds are being issued for the purposes of (i) paying State Transportation System Costs and (ii) paying costs of issuance of the 2012 Series Bonds.

The Act provides for certain payments to be made from the Transportation Trust Fund Account (as defined in the Act) in the State General Fund to the Authority subject to and dependent upon appropriations being made from time to time by the New Jersey State

Legislature for such purpose. Pursuant to the Act, the Authority, the Treasurer of the State (the "Treasurer") and the Commissioner of the Department of Transportation of the State (the "Commissioner") have entered into an agreement entitled "Third Amended and Restated Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act with Respect to Transportation System Bonds", dated as of October \_\_, 2012 (the "State Contract"), to implement such payments and other arrangements provided for in the Act.

The Treasurer, the Authority and TD Bank, National Association, as Trustee for the 2012 Series Bonds (the "Trustee"), have entered into the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), dated the date of the issuance of the 2012 Series Bonds, for the benefit of the Bondholders in order to comply with Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission.

In connection with the opinions set forth below, we have examined such documents, records of the Authority and other instruments, including original counterparts or certified copies of the State Contract, the Resolution, the Bond Purchase Contract, dated \_\_\_\_\_, 2012, between the Authority and Barclays Capital Inc., the manager on behalf of the underwriters listed on Schedule I thereto, the Continuing Disclosure Agreement, the Official Statement, dated \_\_\_\_\_, 2012, relating to the 2012 Series Bonds (the "Official Statement") and the other documents listed in the closing memorandum relating to the 2012 Series Bonds and such matters of law and other proofs, as we deemed necessary to enable us to express the opinions set forth below.

Based upon the foregoing, we are of the opinion that:

1. Based on such inquiry and investigation as we have deemed sufficient, except as otherwise set forth in the Official Statement, there is no litigation or other proceeding pending in any court or in any State agency or other administrative body which would affect the adoption of the Bond Resolution or the Twenty-Eighth Supplemental Resolution or would restrain or enjoin the execution and delivery by the Authority of the State Contract, the Continuing Disclosure Agreement, the Series Certificate or the 2012 Series Bonds or would have a materially adverse effect on the ability of the Authority to carry out its obligations under such documents or in any way questioning the validity of any of the provisions of the Bond Resolution, the Twenty-Eighth Supplemental Resolution, the Continuing Disclosure Agreement, the Series Certificate or the State Contract or the validity of the 2012 Series Bonds.

2. The adoption of the Bond Resolution and the Twenty-Eighth Supplemental Resolution, the execution and delivery of the State Contract, the Continuing Disclosure Agreement and the Series Certificate and compliance with the provisions thereof under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any regulation, court order or consent decree to which the Authority is subject.

3. Except as otherwise set forth in the Official Statement, there is no litigation or other proceeding in any court or in any State agency or other administrative body which would restrain or enjoin the execution and delivery by the Treasurer of the State Contract or the Continuing Disclosure Agreement or would have a materially adverse effect on the

Treasurer's power to make the payments under the State Contract or in any way questioning the validity of any of the provisions of the State Contract or the Continuing Disclosure Agreement.

4. To the best of our knowledge, the statements appearing under the caption "LITIGATION" in the Official Statement are accurate and complete in all material respects as of the date of the Official Statement and as of the date hereof.

This opinion is given as of the date of delivery hereof and no opinion is expressed as to any matter not explicitly set forth herein.

Sincerely yours,

JEFFREY S. CHIESA  
ATTORNEY GENERAL OF NEW JERSEY

By: \_\_\_\_\_  
Deputy Attorney General

**EXHIBIT E**

**FORM OF OPINION OF COUNSEL TO UNDERWRITERS**

\_\_\_\_\_, 2012

Barclays Capital Inc., as Manager  
of the Underwriters  
745 7<sup>th</sup> Avenue  
New York, New York 10019

Re: New Jersey Transportation Trust Fund Authority  
Transportation System Bonds, 2012 Series A

Ladies and Gentlemen:

We have acted as counsel to you (the "Manager"), as representative acting for and on behalf of itself and the underwriters (the "Underwriters") named in the list attached as Schedule I to the Purchase Contract (as hereinafter defined), in connection with the sale and issuance by the New Jersey Transportation Trust Fund Authority (the "Authority") of its \$326,260,000 Transportation System Bonds, 2012 Series A (the "Bonds"), pursuant to the Bond Purchase Contract, dated \_\_\_\_\_, 2012 (the "Purchase Contract"), by and between the Authority and the Manager.

In our capacity as counsel to the Underwriters, we have examined and relied upon originals or copies, certified or otherwise identified to our satisfaction, of a record of proceedings with respect to the issuance of the Bonds including, but not limited to:

(a) the Authority's 1995 Transportation System Bond Resolution, adopted on June 15, 1995, as amended and supplemented (the "1995 Transportation System Bond Resolution"), including by the Twenty-Eighth Supplemental Transportation System Bond Resolution adopted on \_\_\_\_\_, 2012 (the "Twenty-Eighth Supplemental Resolution"), and a series certificate of the Authority, dated as of \_\_\_\_\_, 2012 (the "Series Certificate" and, together with the Twenty-Eighth Supplemental Resolution, the "2012 Series Bond Resolution"). The 1995 Transportation System Bond Resolution, as amended and supplemented, including the amendments and supplements made by the 2012 Series Bond Resolution, is collectively referred to herein as the "Resolution");

(b) the Official Statement of the Authority dated \_\_\_\_\_, 2012 (the "Official Statement");

- (c) the Purchase Contract;
- (d) the Continuing Disclosure Agreement dated \_\_\_\_\_, 2012 (the "Continuing Disclosure Agreement") by and among the Treasurer, the Authority and the Trustee, as Dissemination Agent, relating to the Bonds; and
- (e) the opinions of counsel (except the opinion of the State of New Jersey, Office of the Attorney General), certificates, letters and others documents required by the Purchase Contract.

In addition, we have examined and relied upon such other documents, instruments, records of proceedings and corporate and public records, and have made such investigations of law, as we have considered necessary or appropriate for the purpose of the opinions set forth below. In our examination, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to the originals of all documents submitted to us as certified, photostatic or conformed copies thereof and the authenticity of the originals of all such documents.

Based upon the foregoing, and subject to the limitations and qualifications below, we are of the opinion that:

1. The Bonds are exempted securities described in Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 304(a)(4) of the Trust Indenture Act of 1939, as amended. No registration with the Securities and Exchange Commission under the Securities Act of 1933, as amended, need be made in connection with the offering and sale of the Bonds, and the Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended.
2. The Continuing Disclosure Agreement satisfies Section (b)(5)(i) of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), which requires an undertaking for the benefit of the holders, including beneficial owners, of the Bonds to provide certain annual financial information and event notices to various information repositories at the time and in the manner required by the Rule.
3. The conditions in the Purchase Contract to your obligation to purchase the Bonds have been satisfied, except to the extent that you have agreed to waive such conditions.

In accordance with our understanding with the Underwriters, we rendered legal advice and assistance to the Underwriters in the course of their investigation pertaining to, and their participation in the preparation of, the Official Statement and the issuance and sale of the Bonds. Rendering such assistance involved, among other things, discussions and inquiries concerning various legal and related subjects, and reviews of certain documents with representatives of the Underwriters, with officers, agents, and employees of the Authority and the Treasurer, with McCarter & English, LLP, Bond Counsel, and with the Office of the Attorney General of the State of New Jersey, as counsel to the Authority and the Treasurer, during which the contents of the Official Statement and related matters were discussed and reviewed.

The limitations inherent in the independent verification of factual matters and the character of determinations involved in the preparation of the Official Statement are such, however, that we have necessarily assumed the accuracy, completeness and fairness of, and take no responsibility for any of, the statements made in the Official Statement. Also, we do not express any opinion or belief as to the financial, tabular and statistical data contained in the Official Statement or as to the information contained in the Appendices to the Official Statement.

In the course of our participation in the preparation of the Official Statement and our representation of the Underwriters, and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, nothing has come to our attention that would lead us to believe that the Official Statement (except for the financial, tabular and statistical data included therein and in the Appendices thereto, and except for information contained under the heading "DESCRIPTION OF THE 2012 SERIES BONDS - Book Entry Only System," as to all of which we express no view), as of its date and as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The foregoing opinions are qualified to the extent that the enforceability of the Bonds and the Resolution may be limited under bankruptcy, insolvency, moratorium or other similar laws or equitable principles affecting creditors' rights or remedies generally and may be subject to the exercise of judicial discretion in applicable cases.

We are authorized to practice law in the State of New Jersey, and we do not purport to be experts on, or to express any opinion herein concerning, any law, other than the laws of the State of New Jersey, and the applicable laws of the United States of America.

The opinions expressed herein are solely for the benefit of, and may only be relied upon by, the Underwriters. This opinion may not be relied upon by any other person or entity. The opinions expressed herein are as of the date hereof, and we make no undertaking to amend or supplement such opinions as facts and circumstances come to our attention or changes in the law occur which could affect such opinions.

Notwithstanding anything to the contrary contained herein, the undersigned acknowledges that this opinion is a government record subject to release under the Open Public Records Act (N.J.S.A. 47:1A-1 et seq.).

Very truly yours,

EXHIBIT F

FORM OF ISSUE PRICE CERTIFICATE

\_\_\_\_\_, 2012

New Jersey Transportation Trust Fund  
Authority  
1035 Parkway Avenue  
Trenton, New Jersey 08625

Wilentz, Goldman & Spitzer, P.A.  
90 Woodbridge Center Drive  
Woodbridge, New Jersey 07095

**Re:           \$326,260,000 New Jersey Transportation Trust Fund  
              Authority, Transportation System Bonds, 2012 Series A**

Ladies and Gentlemen:

Barclays Capital Inc., as representative acting for and on behalf of itself and the respective underwriters (collectively, the "Underwriters") of the \$326,260,000 New Jersey Transportation Trust Fund Authority Transportation System Bonds, 2012 Series A (the "2012 Series Bonds") pursuant to the Bond Purchase Contract dated \_\_\_\_\_, 2012 (the "Sale Date") with respect to the 2012 Series Bonds (the "Purchase Contract"), hereby represents in connection with the sale and issuance of the 2012 Series Bonds, to the best of its knowledge and belief, as follows:

1. Initial Offering to the Public. The Underwriters have made a bona fide public offering of all of the 2012 Series Bonds to the public (which for this purpose excludes bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) pursuant to the Purchase Contract at prices not greater than, or in the case of obligations sold on a yield basis, at yields no lower than, the respective prices or yields shown on the inside front cover of the Official Statement dated \_\_\_\_\_, 2012 relating to the 2012 Series Bonds (the "Official Statement"). At the time the Purchase Contract was signed, based upon the then prevailing market conditions and other available information, the Underwriters reasonably expected that each maturity of the 2012 Series Bonds would be offered to the public (which for this purpose excludes bond houses, brokers or similar persons or organizations acting in the capacity of the underwriters or wholesalers) at prices not greater than, or yields not less than, the respective prices or yields shown on the inside front cover of the Official Statement (each an

“Initial Public Offering Price”). At least ten percent (10%) or more in par amount of each stated maturity of the 2012 Series Bonds was first sold to the public (which for this purpose excludes bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) on or before the Sale Date at the Initial Public Offering Price for such maturity. Based on the Initial Public Offering Price of each maturity of the 2012 Series Bonds, the Issue Price of the 2012 Series Bonds is \$ \_\_\_\_\_. The Underwriters have no reason to believe that any of Initial Offering Prices of the 2012 Series Bonds exceeded the fair market value of the 2012 Series Bonds as of the Sale Date.

2. Yield. We have been advised by Bond Counsel that the yield on an issue of tax-exempt bonds is the discount rate that produces the same present value on the date of issue thereof that, when used in computing the present value of all payments of principal and interest and qualified guarantee fees to be made with respect to such issue of bonds, equals the present value of the aggregate of the “issue prices” of such issue of bonds. The 2012 Series Bonds maturing on June 15, 20\_\_ through June 15, 20\_\_ (collectively, the “Premium Bonds”) are issued at an Initial Offering Price that exceeds the stated redemption price at maturity by more than one-fourth of one percent (.25%) multiplied by the product of the stated redemption price at maturity and the number of complete years to the first optional redemption date of the 2012 Series Bond. The Premium Bonds are subject to optional early redemption. In calculating the Yield on the 2012 Series Bonds the Premium Bonds have been treated as redeemed at their stated redemption prices on the optional redemption date that would produce the lowest yield on the 2012 Series Bonds. The yield on the 2012 Series Bonds calculated in the manner described in this paragraph is \_\_\_\_\_%. For purposes hereof, yield has been calculated on a 360-day basis with interest compounded semi-annually.

3. Weighted Average Maturity. The weighted average maturity of the 2012 Series Bonds, determined as the sum of the products of the issue price of each maturity (and by taking into account mandatory redemptions) divided by the aggregate issue price of the 2012 Series Bonds, is \_\_\_\_\_ years. We have been advised by Bond Counsel that we may assume that the “issue price” of the obligations is the aggregate of their initial offering prices and that the methodology described in this paragraph is appropriate.

4. Underwriters’ Fees. Based on our experience in similar transactions, the amount paid as Underwriters’ fees or discount in connection with the sale and issuance of the 2012 Series Bonds is reasonable and customary under the circumstances.

5. Market Based Premium. The amount of the premium included in the pricing of the 2012 Series Bonds is reasonable to market efficiently the 2012 Series Bonds.

6. Reliance. The New Jersey Transportation Trust Fund Authority may rely on the foregoing certifications in making its certifications in the Tax Certificate dated the date hereof concerning the 2012 Series Bonds under the Internal Revenue Code of 1986, as amended, and Bond Counsel may rely on the foregoing certifications in rendering its opinion concerning the exclusion from federal gross income of the interest on the 2012 Series Bonds.

Very truly yours,



**BARCLAYS CAPITAL INC., on behalf  
of the Underwriters, including itself**

By: \_\_\_\_\_

EXHIBIT G

ACKNOWLEDGEMENT AND CERTIFICATION  
[NAME OF UNDERWRITER

The New Jersey Transportation Trust Fund Authority (the "Authority") acknowledges that it has been advised by \_\_\_\_\_ ("[name]"), one of the underwriters of the Authority's \$326,260,000 Transportation System Bonds, 2012 Series A (the "2012 Series Bonds"), that [name] has entered into an agreement (the "Distribution Agreement") with \_\_\_\_\_ ("[name]") for the retail distribution of certain municipal securities offerings, including the 2012 Series Bonds, as described in the Authority's Official Statement, dated \_\_\_\_\_, 2012 (the "Official Statement"), for the 2012 Series Bonds. The Authority has not been furnished with any documents relating to the Distribution Agreement and makes no representations of any kind with respect thereto. The Authority has not entered into any agreement, arrangement or understanding with [name] with respect to the offering and sale of the 2012 Series Bonds, nor shall this acknowledgement constitute any such agreement, arrangement or understanding. The Authority shall not be liable to [name] for any claims arising out of or [name]'s performance under the Distribution Agreement.

NEW JERSEY TRANSPORTATION TRUST  
FUND AUTHORITY

By: \_\_\_\_\_  
GARY BRUNE  
Executive Director

Dated: \_\_\_\_\_, 2012

[name] hereby acknowledges and agrees to the foregoing and represents and warrants to the Authority that the information relating to the Distribution Agreement contained in the \_\_\_\_\_ paragraph under the heading "Underwriting" in the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

[NAME]

By: \_\_\_\_\_  
Name:  
Title:

Dated: \_\_\_\_\_, 2012

the 1990s, the number of people in the world who are under 15 years of age has increased from 1.1 billion to 1.3 billion. This increase is due to the fact that the number of children under 15 years of age has increased in every country in the world, except for a few developed countries (United Nations 2000).

As a result of the increase in the number of children under 15 years of age, the number of children in primary school has increased from 1.1 billion in 1990 to 1.3 billion in 2000. This increase is due to the fact that the number of children in primary school has increased in every country in the world, except for a few developed countries (United Nations 2000).

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NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: (See “RATINGS” herein)

\$ \_\_\_\_\_ \*

## NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY TRANSPORTATION PROGRAM BONDS, 2012 SERIES AA

Dated: Date of Delivery

Due: As Shown on the Inside Front Cover

This Official Statement has been prepared by the New Jersey Transportation Trust Fund Authority (the “Authority”) to provide information on its \$ \_\_\_\_\_ \* Transportation Program Bonds, 2012 Series AA (the “2012 Series AA Bonds”).

- Tax Matters:** In the opinion of Bond Counsel, assuming compliance by the Authority with certain tax requirements described herein, under existing law, interest on the 2012 Series AA Bonds is excluded from the gross income of the owners of the 2012 Series AA Bonds for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and interest on the 2012 Series AA Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax. In the case of certain corporate holders of the 2012 Series AA Bonds, however, interest on the 2012 Series AA Bonds will be included in the calculation of the federal alternative minimum tax as a result of the inclusion of interest on the 2012 Series AA Bonds in “adjusted current earnings.” Under existing law, interest on the 2012 Series AA Bonds and net gains from the sale of the 2012 Series AA Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act. See “TAX MATTERS” herein.
- Redemption:** The 2012 Series AA Bonds are subject to redemption prior to maturity, as described herein. See “DESCRIPTION OF THE 2012 SERIES AA BONDS – Redemption Provisions” herein.
- Security:** The 2012 Series AA Bonds are special obligations of the Authority, secured primarily by payments made by the State of New Jersey (the “State”) to the Authority under an agreement entitled: “Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act with respect to Transportation Program Bonds” dated as of \_\_\_\_ 1, 2012 (the “State Contract”), as may be amended from time to time, among the State Treasurer, the Commissioner of the New Jersey Department of Transportation and the Authority. THE OBLIGATION OF THE STATE TO MAKE PAYMENTS UNDER THE STATE CONTRACT IS SUBJECT TO AND DEPENDENT UPON APPROPRIATIONS BEING MADE FROM TIME TO TIME BY THE NEW JERSEY STATE LEGISLATURE (THE “STATE LEGISLATURE”) FOR SUCH PURPOSE. THE STATE LEGISLATURE HAS NO LEGAL OBLIGATION TO MAKE ANY SUCH APPROPRIATIONS. See “SECURITY FOR THE 2012 SERIES AA BONDS” herein.
- The 2012 Series AA Bonds shall not, in any way, be a debt or liability of the State or of any political subdivision thereof (other than the Authority to the limited extent set forth in the Resolution) and shall not create or constitute an indebtedness, liability or obligation of the State or of any political subdivision thereof (other than the Authority to the limited extent set forth in the Resolution) or be or constitute a pledge of the faith and credit of the State or any political subdivision thereof. The Authority has no taxing power.
- Purpose:** The 2012 Series AA Bonds are being issued for the purposes of (i) paying State Transportation System Costs (as defined herein) and (ii) paying certain costs of issuance of the 2012 Series AA Bonds. See “PLAN OF FINANCE” herein.
- Initial Rates and Yields:** As shown on the inside front cover.
- Interest Payment Dates:** Interest on the 2012 Series AA Bonds is payable on \_\_\_\_ and \_\_\_\_, payable initially on \_\_\_\_, 2013.
- Denominations:** The 2012 Series AA Bonds will be issued in denominations of \$5,000 or any integral multiple in excess thereof.
- Issuer Contact:** Office of Public Finance, New Jersey Department of the Treasury (609) 984-4888.
- Book-Entry-Only:** The Depository Trust Company (“DTC”), New York, New York.

The 2012 Series AA Bonds are offered when, as and if delivered and subject to the receipt of the approving legal opinion of McCarter & English, LLP, Newark, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by the Attorney General of the State, General Counsel to the Authority and for the Underwriters by DeCotiis, FitzPatrick & Cole, LLP, Teaneck, New Jersey. The 2012 Series AA Bonds in definitive form are expected to be available for delivery through DTC in New York, New York on or about December \_\_, 2012.

**Barclays**

\*Preliminary, subject to change.

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 nor shall there be any sale of the securities offered hereby in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities of any state.

\$ \_\_\_\_\_ \*

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY  
TRANSPORTATION PROGRAM BONDS, 2012 SERIES AA**

**Maturity Schedule**

<b>Maturity Date (_____)</b>	<b>Principal Amount<sup>1</sup></b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP<sup>2</sup></b>
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<sup>1</sup> Preliminary, subject to change.

<sup>2</sup> Registered trademark of American Bankers Association. CUSIP numbers are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the 2012 Series AA Bonds and the Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2012 Series AA Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2012 Series AA Bonds.

IN CONNECTION WITH THE OFFERING OF THE 2012 SERIES AA BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2012 SERIES AA BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE 2012 SERIES AA BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement in connection with the offering of the 2012 Series AA Bonds and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any offer, solicitation or sale of the 2012 Series AA Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Certain information contained herein has been obtained from the State and other sources which are believed to be reliable. However, it is not guaranteed as to accuracy or completeness, and it is not to be construed as a representation of the Authority. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sales made hereunder shall, under any circumstances, create any implication that there has been no change in such information since the date thereof. The information in this Official Statement concerning DTC and DTC's book-entry system has been obtained from DTC, and the Authority takes no responsibility for the accuracy thereof. Such information has not been independently verified by the Authority and the Authority makes no representation as to the accuracy or completeness of such information.

There follows in this Official Statement certain information concerning the Authority, together with descriptions of the terms of the 2012 Series AA Bonds, the principal documents related to the security for the 2012 Series AA Bonds and certain applicable laws. All references herein to laws and documents are qualified in their entirety by reference to such laws, as in effect, and to each such document as such document has been or will be executed and delivered on or prior to the date of issuance of the 2012 Series AA Bonds, and all references to the 2012 Series AA Bonds are qualified in their entirety by reference to the definitive form thereof and the information with respect thereto contained in the Resolution (as defined herein).

The 2012 Series AA Bonds have not been registered under the Securities Act of 1933, as amended, and the Resolution has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions contained in such Federal laws. In making an investment decision, investors must rely upon their own examination of the 2012 Series AA Bonds and the security therefor, including an analysis of the risks involved. The 2012 Series AA Bonds have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the 2012 Series AA Bonds in accordance with applicable provisions of securities laws of the various jurisdictions in which the 2012 Series AA Bonds have been registered, qualified or exempted cannot be regarded as a recommendation thereof. Neither such jurisdictions nor any of their agencies have passed upon the merits of the 2012 Series AA Bonds or the adequacy, accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

## TABLE OF CONTENTS

	Page
INTRODUCTION.....	1
SECURITY FOR THE 2012 SERIES AA BONDS .....	4
Property Pledged to the 2012 Series AA Bonds; the State Contract; the Act; the Resolution .....	4
Event of Non-Appropriation.....	6
Statutory Dedication of Certain State Revenues .....	7
Constitutional Dedication of Certain State Revenues .....	8
State Appropriations.....	9
State General Taxing Power Not Pledged.....	9
Flow of Funds.....	9
Certain Covenants of the State and the Authority .....	10
Refunding Bonds.....	10
Prior Bonds.....	11
Amendments to the Resolution .....	11
STATUTORY DEBT ISSUANCE LIMITATIONS.....	12
Refunding Bonds.....	12
Prior Bonds.....	13
PRIOR BONDS.....	13
PLAN OF FINANCE .....	13
ESTIMATED SOURCES AND USES OF FUNDS .....	14
DESCRIPTION OF THE 2012 SERIES AA BONDS .....	14
General .....	14
Redemption Provisions.....	15
Book-Entry Only System .....	17
DEBT SERVICE SCHEDULE .....	20
DEBT SERVICE SCHEDULE – PRIOR BONDS.....	21
THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY.....	22
Legal Authority and Responsibilities .....	22
Membership and Officers of the Authority .....	22
Powers of the Authority.....	23
THE TRANSPORTATION SYSTEM IMPROVEMENTS .....	25
THE NEW JERSEY DEPARTMENT OF TRANSPORTATION .....	25
The State Transportation System.....	25
Organization .....	26
LITIGATION .....	27
CERTAIN LEGAL MATTERS .....	28
LEGALITY FOR INVESTMENT.....	28
TAX MATTERS .....	28
Exclusion of Interest on the 2012 Series AA Bonds From Gross Income for Federal Tax Purposes .....	28
Additional Federal Income Tax Consequences .....	29
Original Issue Discount.....	29
Original Issue Premium .....	29
State Taxation.....	30
Changes in Federal Tax Law.....	30
General Matters .....	30
UNDERWRITING .....	30
RATINGS.....	31
CONTINUING DISCLOSURE AGREEMENT.....	31
MISCELLANEOUS.....	32

APPENDIX I-1	SUPPLEMENT DATED OCTOBER 15, 2012 TO APPENDIX I
APPENDIX I	FINANCIAL AND OTHER INFORMATION RELATING TO THE STATE OF NEW JERSEY
APPENDIX II	COPY OF THE RESOLUTION
APPENDIX III	FORM OF THE STATE CONTRACT
APPENDIX IV	FORM OF THE CONTINUING DISCLOSURE AGREEMENT
APPENDIX V	FORM OF OPINION OF BOND COUNSEL



**OFFICIAL STATEMENT**  
relating to

§ \_\_\_\_\_<sup>1</sup>  
**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**  
**TRANSPORTATION PROGRAM BONDS, 2012 SERIES AA**

**INTRODUCTION**

The purpose of this Official Statement (which includes the cover page, the inside cover page and the Appendices hereto) is to set forth certain information concerning the New Jersey Transportation Trust Fund Authority (the "Authority") and the Authority's § \_\_\_\_\_<sup>1</sup> \* Transportation Program Bonds, 2012 Series AA (the "2012 Series AA Bonds"). The Authority is issuing the 2012 Series AA Bonds for the purposes of (i) paying State Transportation System Costs (as defined herein), and (ii) paying certain costs of issuance of the 2012 Series AA Bonds. See "PLAN OF FINANCE" and ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Authority was created by the State of New Jersey (the "State") in 1984 pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984, as amended and supplemented, including by L.2012, c. 13, constituting N.J.S.A. 27:1B-1 et seq. (the "Act"), to provide a stable, predictable funding mechanism for transportation system improvements undertaken by the New Jersey Department of Transportation (the "Department"). Transportation system improvements financed by the Authority include expenditures for the planning, acquisition, engineering, construction, repair, maintenance and rehabilitation of public facilities for ground, water or air transportation of people or goods. The Authority also finances State aid to counties and municipalities for transportation system improvements.

The Authority is governed by seven members, including the Commissioner of the New Jersey Department of Transportation (the "Commissioner") and the Treasurer of the State (the "State Treasurer"), both of whom serve as ex officio members.

The Act, among other things, provides for (i) the funding of transportation projects, and (ii) the issuance of debt. The Act, as most recently amended by L. 2012, c. 13, effective on June 29, 2012 (the "2012 Legislation"), authorizes the issuance of bonds (bonds authorized to be issued pursuant to the 2012 Legislation are referred to therein and herein as "Transportation Program Bonds") in each of the State Fiscal Years 2013 through and including 2016 up to the maximum aggregate principal amounts set forth below:

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<sup>1</sup> Preliminary, subject to change.

Fiscal Year (July 1 to June 30)	Maximum Aggregate Principal Amount of Transportation Program Bonds Authorized to be Issued
2013	\$1,247,000,000
2014	849,000,000
2015	753,300,000
2016	626,800,000
Total	\$3,458,300,000

The 2012 Legislation provides that (1) if the permitted amount of Transportation Program Bonds, or any portion thereof, is not incurred in a fiscal year, it may be issued in a subsequent fiscal year and (2) thirty percent (30%) of the permitted amount of Transportation Program Bonds for a fiscal year may be issued in the fiscal year preceding such fiscal year provided that (a) any Transportation Program Bonds issued in the fiscal year preceding such Fiscal Year, shall be deducted from the authorization for the fiscal year from which it was taken, and (b) the proceeds of any such Transportation Program Bonds shall not be encumbered until the fiscal year from which the deduction of the authorization was taken. See "STATUTORY DEBT ISSUANCE LIMITATIONS" herein.

The issuance of bonds, notes or other obligations, including subordinated obligations of the Authority pursuant to the 2012 Transportation Program Bond Resolution (as hereinafter defined), for refunding purposes is not subject to the limitations described in the preceding paragraph. However, the Act provides that no refunding bonds shall be issued unless the Authority shall first determine that the present value of the aggregate principal amount of and interest on the refunding bonds is less than the present value of the aggregate principal amount of and interest on the outstanding bonds to be refinanced, with present value computed using a discount rate equal to the yield of those refunding bonds, and yield computed using an actuarial method based upon a 360-day year with semiannual compounding and upon the prices paid to the Authority by the initial purchasers of those refunding bonds. The Act further provides that upon the decision by the Authority to issue refunding bonds, and prior to the sale of those refunding bonds, the Authority shall transmit to the Joint Budget Oversight Committee (the "JBOC") of the New Jersey State Legislature (the "State Legislature") a report that a decision has been made, reciting the basis on which the decision was made, including an estimate of the debt service savings to be achieved and the calculations upon which the Authority relied when making the decision to issue refunding bonds. The report shall also disclose the intent of the Authority to issue and sell the refunding bonds at public or private sale and the reasons therefor. Pursuant to the Act, no refunding bonds shall be issued unless the report has been submitted to and approved by JBOC.

The 2012 Legislation provides that the payment of debt service on Transportation Program Bonds and any agreements issued in connection with such Transportation Program Bonds shall be paid solely from revenues dedicated pursuant to the New Jersey Constitution, including Article VIII, Section II, paragraph 4 (the "Constitutionally Dedicated Revenues"), and deposited into the Transportation Trust

Fund Account – Subaccount for Debt Service for Transportation Program Bonds (the “Subaccount for Debt Service for Transportation Program Bonds”) established pursuant to the 2012 Legislation. See “SECURITY FOR THE 2012 SERIES AA BONDS – Constitutional Dedication of Certain State Revenues” herein.

The funding of New Jersey’s transportation system has been undertaken previously through the issuance of the Authority’s Transportation System Bonds (the “Prior Bonds”), under the Authority’s 1995 Transportation System Bond Resolution, as amended and supplemented (the “Prior Bond Resolution”). All Prior Bonds are payable from the Constitutionally Dedicated Revenues, which are also the source of payment for the Transportation Program Bonds, as well as certain statutorily dedicated revenues which may not be used to pay debt service on Transportation Program Bonds]. To implement the new financing arrangement provided for by the 2012 Legislation, the Authority adopted its 2012 Transportation Program Bond Resolution (the “2012 Transportation Program Bond Resolution”) on October 26, 2012, and prior to the issuance and delivery of the 2012 Series AA Bonds, the Authority, the State Treasurer and the Commissioner shall enter into the State Contract (as defined herein).

The 2012 Series AA Bonds are being issued pursuant to the Act and the 2012 Transportation Program Bond Resolution, as supplemented by the First Supplemental Transportation Program Bond Resolution, adopted on October 26, 2012 (the “First Supplemental Resolution”) and a series certificate of the Authority to be dated as of the date of sale of the 2012 Series AA Bonds (the “Series Certificate”). The Authority’s 2012 Transportation Program Bond Resolution, as supplemented, including by the First Supplemental Resolution and the Series Certificate, and as the same may be amended and supplemented from time to time, is collectively referred to herein as the “Resolution.” \_\_\_\_\_, \_\_\_\_\_, New Jersey, has been appointed as trustee (the “Trustee”) and paying agent (the “Paying Agent”) for obligations issued under the Resolution, including the 2012 Series AA Bonds.

The Resolution constitutes a contract between the Authority and the holders of the bonds issued and outstanding thereunder. All such bonds, including the 2012 Series AA Bonds, are referred to collectively as the “Bonds.” All capitalized terms used but not defined in this Official Statement shall have the meanings given to them in the Resolution. See “APPENDIX II — COPY OF THE RESOLUTION.”

The 2012 Series AA Bonds are the first Series of Bonds to be issued under the Resolution and will be secured on a parity with all Bonds to be issued from time to time under the Resolution.

The 2012 Series AA Bonds are secured by the Pledged Property (as defined in the Resolution) which consists primarily of revenues received by the Authority from the State pursuant to the Act and the State Contract (defined below). The payment of all such revenues to the Authority is subject to and dependent upon appropriations being made from time to time by the State Legislature. However, the State Legislature has no legal obligation to make any such appropriations. See “SECURITY FOR THE 2012 SERIES AA BONDS - Property Pledged to the 2012 Series AA Bonds; the State Contract; the Act; the Resolution” herein.

The Authority currently has outstanding \$ \_\_\_\_\_ in aggregate principal amount of its Prior Bonds issued under the Prior Bond Resolution. Bonds issued and outstanding under the Prior Bond Resolution constitute Prior Bonds within the meaning of the Act (the “Prior Bonds”). All Prior Bonds are payable from the Constitutionally Dedicated Revenues, which are also the source of payment for the Transportation Program Bonds, as well as certain statutorily dedicated revenues which may not be used to pay debt service on Transportation Program Bonds.

Simultaneously with the issuance and delivery of the 2012 Series AA Bonds, the Authority expects to issue \$326,255,000 Transportation System Bonds, 2012 Series A (the "2012 Series A Bonds") under the Prior Bond Resolution to finance State Transportation System Costs. However, such issuance and delivery is not a condition to the issuance and delivery of the 2012 Series AA Bonds. The 2012 Series A Bonds are being offered pursuant to a separate Official Statement. The 2012 Series A Bonds, if and when issued, will utilize the entire unused portion of debt authorized to be issued pursuant to L. 2006, c. 3. Accordingly, it is anticipated that after the issuance of the 2012 Series A Bonds, no bonds will be issued under the Prior Bond Resolution other than refunding bonds, if any. Bonds issued to finance State Transportation System Costs ("New Money Bonds") are expected to be issued as Transportation Program Bonds under the Resolution. After the issuance of the 2012 Series A Bonds, the Authority will have outstanding \$\_\_\_\_\_ in aggregate principal amount of Prior Bonds under the Prior Bond Resolution. See "PRIOR BONDS" herein.

All references in this Official Statement to the Act and the Resolution are qualified in their entirety by reference to the complete text of the Act and the Resolution, copies of which are available from the Authority, and all references to the 2012 Series AA Bonds are qualified in their entirety by reference to the definitive form thereof and the provisions with respect thereto contained in the Resolution.

## **SECURITY FOR THE 2012 SERIES AA BONDS**

### **Property Pledged to the 2012 Series AA Bonds; the State Contract; the Act; the Resolution**

The funding of New Jersey's transportation system has been undertaken previously through the issuance of the Prior Bonds under the Prior Bond Resolution. All Prior Bonds are payable from the Constitutionally Dedicated Revenues, which are also the source of payment for the Transportation Program Bonds, as well as certain statutorily dedicated revenues which may not be used to pay debt service on Transportation Program Bonds. To implement the new financing arrangement provided for by the 2012 Legislation, the Authority adopted the 2012 Transportation Program Bond Resolution on October 26, 2012, and prior to the issuance and delivery of the 2012 Series AA Bonds, the Authority, the State Treasurer and the Commissioner shall enter into the State Contract.

The 2012 Series AA Bonds are payable and secured under the Resolution on a parity with all other Bonds to be issued from time to time thereunder. All Bonds issued under the Resolution are special obligations of the Authority payable solely from the property pledged to their payment as hereinafter described. Pursuant to the Resolution, all of such property is pledged and assigned as security for the payment of the principal of and interest on the Bonds as well as (i) the Authority's reimbursement obligations or scheduled swap payments with respect to any Financing Facility (which include Swap Agreements and reimbursement agreements for credit facilities) which it may obtain in connection with the issuance of any Series of Bonds and (ii) any Subordinated Debt which may be issued under the Resolution. Currently, there are no financing facilities or Subordinated Debt outstanding under the Resolution. The Resolution provides that all Pledged Property shall immediately become subject to the lien of said pledge without any physical delivery thereof or further act, and that such lien shall be valid and binding against all persons having claims of any kind in tort, contract or otherwise against the Authority. See "APPENDIX II — COPY OF THE RESOLUTION — Pledge of Pledged Property" herein.

Pursuant to the Resolution, the “Pledged Property” consists of:

(i) with respect to the Bond Payment Obligations and, to the extent provided in any Supplemental Resolution or Series Certificate authorizing a Series which is to be secured, in whole or in part, by, or payable, in whole or in part, from, a Financing Facility, the applicable Financing Facility Payment Obligations, the State Contract, the Revenues and Funds, other than the Program Rebate Fund and the Proceeds Account of the Transportation Program Improvement Fund, including Investment Securities held in any such Fund under the Resolution, 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 Bonds in accordance with the terms and provisions of the Resolution,

(ii) with respect to any Series of Bonds in connection with which the Authority has obtained a Financing Facility, and to the extent provided in the applicable Supplemental Resolution or Series Certificate, the applicable Financing Facility and Financing Facility Revenues and all moneys from time to time held in any applicable subaccount within the Program Debt Service Fund, and

(iii) with respect to any Subordinated Debt, the amounts, if any, on deposit from time to time in the Program Subordinated Debt Fund and available for such payment.

Under the Resolution, “Revenues” means: (i) all amounts appropriated and paid to the Authority from the Transportation Trust Fund Account - Subaccount for Debt Service for Transportation Program Bonds in the State General Fund pursuant to the Act, (ii) all amounts appropriated and paid to the Authority by the Treasurer pursuant to the State Contract, (iii) all Swap Revenues, and (iv) interest received or to be received on any moneys or securities held pursuant to the Resolution and paid or required to be paid into the Transportation Program Improvement Fund – Non Proceeds Account; provided, however, that the term “Revenues” does not include Financing Facility Revenues, which are all amounts received by the Authority or the Trustee pursuant to any Financing Facility, or “Revenues” as defined in any other resolution of the Authority. “Funds” constituting the Pledged Property are any Funds established pursuant to the Resolution, including any moneys or Investment Securities held therein, other than the Program Rebate Fund and the Proceeds Account of the Program Transportation Improvement Fund.

Pursuant to the Act, the Authority, the State Treasurer and the Commissioner shall, prior to the issuance and delivery of the 2012 Series AA Bonds, enter into an agreement entitled “Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act with respect to Transportation Program Bonds, dated as of the date of sale of the 2012 Series AA Bonds, as may be amended from time to time (the “State Contract”). The State Contract implements the financing and funding arrangements contemplated by the Act, as amended by the 2012 Legislation. The form of the State Contract is attached as APPENDIX III to this Official Statement.

All payments by the State to the Authority are subject to and dependent upon appropriations being made from time to time by the State Legislature for the purposes of the Act. See APPENDIX I-1 and APPENDIX I attached hereto for a summary of certain financial and other information relating to the State. The State Legislature has always made appropriations in previous Fiscal Years in amounts sufficient to pay debt service on the Prior Bonds and all other obligations of the Authority issued under the Prior Bond Resolution. However, the State Contract does not legally obligate the State Legislature to appropriate moneys sufficient to pay amounts when due on the 2012 Series AA Bonds or otherwise due under the State Contract. Thus, although the Resolution provides for the remedy of specific performance to require the Authority to perform its covenants in the Resolution (including its covenants to enforce the

terms of the State Contract), there are no remedies available to the Bondholders in the event that the State Legislature does not appropriate sufficient funds to make payments when due under the State Contract.

### **Event of Non-Appropriation**

An "Event of Non-Appropriation" shall be deemed to have occurred under the Resolution if the State Legislature shall fail to appropriate funds to the Authority for any Fiscal Year in an amount sufficient to pay when due the Authority's Bond Payment Obligations and Financing Facility Payment Obligations coming due in such Fiscal Year.

The Resolution provides that, notwithstanding anything contained therein to the contrary, a failure by the Authority to pay when due any Bond Payment Obligations, Swap Payment Obligations or Financing Facility Payment Obligations required to be made under the Resolution or the Bonds, or a failure by the Authority to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Resolution or the Bonds, resulting from the occurrence of an Event of Non-Appropriation shall not constitute an Event of Default under the Resolution.

Upon the occurrence of an Event of Non-Appropriation (or the failure by the Authority to pay the principal or Redemption Price of and interest on any Series of Bonds or notes resulting from such Event of Non-Appropriation), the Trustee on behalf of the Holders of the applicable Series of Bonds or notes has no remedies. The Trustee may not accelerate Bonds or notes. The Authority has no obligation to pay any Bond Payment Obligations or Financing Facility Payment Obligations with respect to which an Event of Non-Appropriation has occurred. However, the Authority would remain obligated to pay such Bond Payment Obligations and Financing Facility Payment Obligations, with interest thereon at the rate in effect with respect to the applicable Series of Bonds or notes, and all future Bond Payment Obligations and Financing Facility Payment Obligations, to the extent State appropriations are subsequently made for such purposes.

If an Event of Non-Appropriation shall occur and be continuing, and provided that there shall not have occurred and then be continuing any Event of Default, the Trustee shall apply the Pledged Property, including all moneys, securities, funds and Revenues received by the Trustee pursuant to any right given or action taken under the provisions of the Resolution, together with all Funds held by the Trustee under the Resolution (other than the Program Rebate Fund and the Proceeds Account of the Program Transportation Improvement Fund), as follows and in the following order of priority:

(i) to the payment of the reasonable and proper fees (including reasonable attorney's fees), charges, expenses and liabilities of the Fiduciaries;

(ii) to the payment of the interest and principal or Redemption Price then due on the Bonds and Financing Facility Payment Obligations, as follows:

First: To the payment of interest then due on the Bonds and Parity Financing Facility Obligations in the order of the maturity of the installments thereof then due, and, if the amount available shall not be sufficient to pay in full any installment or installments of interest or Parity Financing Facility Obligations maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, without priority or preference of any Bond or Parity Financing Facility Obligation over any other;

Second: To the payment of the unpaid principal or Redemption Price of any Bonds and Parity Financing Facility Obligations which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all Bonds or Parity Financing Facility Obligations due on any date, then to the payment thereof

ratably, according to the amounts due in respect of each Bond or Parity Financing Facility Obligation, without any priority or preference over any other; and

Third: To the payment to any Financing Facility Provider of any Subordinated Financing Facility Payment Obligation then due and, if the amounts available are insufficient to pay in full all Subordinated Financing Facility Payment Obligations, then to the payment thereof ratably, without preference or priority of any Subordinated Financing Facility Payment Obligation over any other.

Notwithstanding the foregoing, to the extent provided in the applicable Supplemental Resolution or Series Certificate, Financing Facility Revenues shall be applied to the payment of principal or Redemption Price of, and interest on, the Bonds to which such Financing Facility relate, and amounts which would otherwise be paid to the holders of such Bonds shall be paid to the applicable Financing Facility Provider.

### **Statutory Dedication of Certain State Revenues**

The Act, as amended by Section 5 of the 2012 Legislation, provides that during each Fiscal Year in which the Authority has Bonds outstanding, the State Treasurer shall, to the extent appropriated by the State Legislature, credit to the Transportation Trust Fund Account – Subaccount for Debt Service for Transportation Program Bonds, a portion of the revenues derived from the following:

(a) an amount equivalent to the revenue derived from \$0.105 per gallon from the tax imposed on the sale of motor fuels pursuant to chapter 39 of Title 54 of the Revised Statutes (the “Motor Fuels Tax”), plus

(b) an amount equivalent to the revenue derived from the tax imposed on the sale of petroleum products pursuant to L. 1990, c. 42 (C. 54:15B-1 et seq.), but not less than \$200,000,000 during any Fiscal Year, plus

(c) an amount equivalent to the revenue derived from the tax imposed under the “Sales and Use Tax Act,” L. 1966, c. 30 (C. 54:32B-1 et seq.) on the sale of new motor vehicles, but not less than \$200,000,000 for any Fiscal Year.

The Act further provides that, subject to appropriations being made from time to time by the State Legislature for the purposes of the Act, the State Treasurer shall pay to the Authority, no later than the fifth (5<sup>th</sup>) business day of the month following the month in which a credit has been made, the amounts credited to the Transportation Trust Fund Account – Subaccount for Debt Service for Transportation Program Bonds, and further provided that the revenues deposited into the “Transportation Trust Fund Account – Subaccount for Debt Service for Transportation Program Bonds” shall consist solely of revenues which are dedicated pursuant to the New Jersey Constitution, including Article VIII, Section II, paragraph 4, and paragraphs (a), (b) and (c) above.

In accordance with the Act, the Authority, the State Treasurer and the Commissioner shall, prior to the issuance and delivery of the 2012 Series AA Bonds, enter into the State Contract, which provides for the payments of these revenues to the Authority, subject to appropriations being made by the State Legislature for the purposes of the Act. See “SECURITY FOR THE 2012 SERIES AA BONDS—Constitutional Dedication of Certain State Revenues” below.

## Constitutional Dedication of Certain State Revenues

Senate Concurrent Resolution No. 78 of 2006, which was passed by the State General Assembly and State Senate on June 27, 2006 and approved by the voters of the State in the November 2006 general election, amended Article VIII, Section II, Paragraph 4 of the New Jersey State Constitution to provide as follows:

There shall be credited to a special account in the General Fund the following:

- A. for each State Fiscal Year commencing on and after July 1, 2007, an amount equivalent to the revenue derived from \$0.105 per gallon from the tax imposed on the sale of motor fuels pursuant to Chapter 39 of Title 54 of the Revised Statutes;
- B. for the State Fiscal Year 2001 an amount not less than \$100,000,000 derived from the State revenues collected from the tax on the gross receipts of the sale of petroleum products imposed pursuant to L. 1990, c. 42 (C. 54:15B-1 et seq.), as amended and supplemented, or any other subsequent law of similar effect, and for each State Fiscal Year thereafter an amount not less than \$200,000,000 derived from those revenues; and
- C. for the State Fiscal Year 2002 an amount not less than \$80,000,000 from the State revenue collected from the State tax imposed under the "Sales and Use Tax Act," pursuant to L. 1966, c. 30 (C. 54:32B-1 et seq.), as amended and supplemented, or any other subsequent law of similar effect, for the State Fiscal Year 2003 an amount not less than \$140,000,000 from those revenues, and for each State Fiscal Year thereafter an amount not less than \$200,000,000 from those revenues;

provided, however, the dedication and use of such revenues as provided in this paragraph shall be subject and subordinate to (i) all appropriations of revenues from such taxes made by laws enacted on or before December 7, 2006 in accordance with Article VIII, Section II, paragraph 3 of the State Constitution in order to provide the ways and means to pay the principal and interest on bonds of the State presently outstanding or authorized to be issued under such laws or (ii) any other use of those revenues enacted into law on or before December 7, 2006.

These amounts shall be appropriated from time to time by the State Legislature, only for the purposes of paying or financing the cost of planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of the transportation system in the State and it shall not be competent for the State Legislature to borrow, appropriate or use these amounts or any part thereof for any other purpose, under any pretense whatsoever. (Article VIII, Section II, Paragraph 4 of the New Jersey State Constitution).

The above provision of the New Jersey Constitution does not require that the constitutionally dedicated amounts be appropriated to the Authority. However, pursuant to the Act, any contract, such as the State Contract, providing for the payment of Transportation Program Bonds and securing such Transportation Program Bonds, shall provide that such payment shall be made solely from revenues dedicated pursuant to Article VIII, Section II, Paragraph 4 of the New Jersey State Constitution. Pursuant to the State Contract, the State Treasurer must, subject to appropriation by the State Legislature, credit to the Transportation Trust Fund Account – Subaccount for Debt Service for Transportation Program Bonds and pay to the Authority, a portion of an amount equivalent to the revenues derived from the dedicated amount of the Motor Fuels Tax and a portion of the dedicated amounts of the other taxes described in clauses B and C above.



## **State Appropriations**

Although the State Legislature has always made appropriations to the Authority in each Fiscal Year in amounts sufficient to timely pay the debt service on all of the Authority's outstanding indebtedness coming due in such Fiscal Year under the Prior Bond Resolution, the State Legislature, in several Fiscal Years, has made appropriations to the Authority which were less than the minimum amounts specified for such Fiscal Year in the "Second Amended and Restated Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act," dated as of June 1, 2006 (as amended and restated by the Third Amended and Restated Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act, the "Prior Bonds State Contract"), by and among the Authority, the State Treasurer and the Commissioner.

For Fiscal Year 2013 which began on July 1, 2012, the State Legislature appropriated \$77,700,000 to the Transportation Trust Fund Account – Subaccount for Debt Service for Transportation Program Bonds, which amount will be sufficient to pay the debt service on the 2012 Series AA Bonds coming due in such Fiscal Year.

There can be no assurance that, in the event the State experiences financial difficulty, or the adoption of the annual appropriations act is delayed, or for any other reason, the State Legislature will appropriate sufficient funds in the future to enable the Authority to timely pay the principal of or interest on the Outstanding Transportation Program Bonds of the Authority.

## **State General Taxing Power Not Pledged**

Pursuant to the Act and the Resolution, the 2012 Series AA Bonds shall be special obligations of the Authority and shall not be in any way a debt or liability of the State or any political subdivision thereof (other than the Authority to the limited extent set forth in the Resolution) and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof (other than the Authority to the limited extent set forth in the Resolution) or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof. The Authority has no taxing power. All bonds, notes or other obligations of the Authority issued under the Resolution, unless funded or refunded by bonds, notes or other obligations of the Authority, shall be payable solely from the Pledged Property under the Resolution.

## **Flow of Funds**

Pursuant to the Resolution, all Revenues are required to be promptly deposited by the Authority as received into the Non Proceeds Account of the Transportation Program Improvement Fund. The Authority is required to pay, transfer or credit to the Trustee, for deposit in the following Funds and Accounts, on the following dates and in the following order of priority the amounts set forth below, but only to the extent the amount in the Non Proceeds Account of the Transportation Program Improvement Fund shall be sufficient therefor:

(1) On or before each Payment Date with respect to each Series of Bonds, for deposit in the Program Debt Service Fund, the amount, if any, required so that the balance in said Fund shall equal the amounts of Debt Service on all Series of Bonds coming due on such Payment Date.

(2) On or before the due dates thereof, for deposit in the Program Debt Service Fund, the amount of any Financing Facility Payment Obligations.

(3) On or before the due dates thereof, and subject and subordinate at all times to the payments, credits or transfers required as described in paragraphs 1 and 2 above, for deposit in the Program Subordinated Debt Fund, the amount of any principal, prepayment or redemption price, interest or other amounts payable in connection with any Subordinated Debt, including Swap Termination Payments, if any.

### **Certain Covenants of the State and the Authority**

Pursuant to the Act, the State has covenanted (i) that it will not limit or alter the rights or powers of the Authority in any way that would jeopardize the interests of the holders of the bonds, notes or other obligations of the Authority, (ii) that it will not inhibit or prevent performance or fulfillment by the Authority of the terms of any agreements made with the holders of the bonds, notes or other obligations of the Authority, and that it will not prevent the Authority from obtaining sufficient revenues which, together with other available funds, shall be sufficient to meet all expenses of the Authority and fulfill the terms of any agreement made with the holders of the bonds, notes or other obligations of the Authority, together with the interest thereon, interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of the holders of the bonds, notes or other obligations of the Authority, until the bonds, notes or other obligations of the Authority, together with interest thereon, are fully met and discharged or provided for. However, the Act further provides that the failure of the State to appropriate moneys for any purpose of the Act shall not be deemed or construed to be a violation of these covenants.

Under the Resolution, the Authority has covenanted with the Bondholders that it will collect and forthwith cause to be deposited with a Depository in the Non Proceeds Account of the Transportation Program Improvement Fund all amounts, if any, payable to it pursuant to the State Contract and that it will not consent or agree to or permit any amendment, change or modification to the State Contract which would reduce the amounts payable to the Authority or extend the times when such payments are to be made thereunder. In addition, the Resolution provides that the Trustee, as the assignee of the Authority, shall enforce the provisions of the State Contract and agreements thereunder. The Authority has also covenanted to pay, but solely from the Pledged Property, the Debt Service coming due on the Bonds in each year in which Bonds issued by the Authority are outstanding.

### **Refunding Bonds**

One or more series of Refunding Bonds may be issued at any time to refund any or all Outstanding Bonds. Such Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the Funds and Accounts under the Resolution required by the provisions of the Supplemental Resolution authorizing such Refunding Bonds. The Act provides that no Refunding Bonds shall be issued unless the Authority shall first determine that the present value of the aggregate principal of and interest on the Refunding Bonds is less than the present value of the aggregate principal of and interest on the Outstanding Bonds to be refinanced, with present value to be computed using a discount rate equal to the yield of those Refunding Bonds, and yield shall be computed using an actuarial method based upon a 360-day year with semiannual compounding and upon the prices paid to the Authority by the initial purchasers of those Refunding Bonds. (See "APPENDIX II — COPY OF THE RESOLUTION — Refunding Bonds"). Any decision by the Authority to issue refunding bonds must be approved by JBOC.

## **Prior Bonds**

The Authority currently has outstanding \$ \_\_\_\_\_ in aggregate principal amount of its Prior Bonds issued under the Prior Bond Resolution. All Prior Bonds are payable from the Constitutionally Dedicated Revenues, which are also the source of payment for the Transportation Program Bonds, as well as certain statutorily dedicated revenues which may not be used to pay debt service on Transportation Program Bonds.

Simultaneously with the issuance and delivery of the 2012 Series AA Bonds, the Authority expects to issue the 2012 Series A Bonds under the Prior Bond Resolution to finance State Transportation System Costs. However, such issuance and delivery is not a condition to the issuance and delivery of the 2012 Series AA Bonds. The 2012 Series A Bonds are being offered pursuant to a separate Official Statement.

## **Amendments to the Resolution**

Pursuant to the 2012 Transportation Program Bond Resolution, any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds thereunder, in any particular, may be made by a Supplemental Resolution with the written consent of (a) at least a majority in principal amount of the Bonds Outstanding at the time such consent is given who are affected by the proposed modification or amendment; 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, 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 any calculation of Outstanding Bonds and (b) any Financing Facility Provider the consent of which is required by the applicable Financing Facility. For the purpose of this provision, a Series shall be deemed to be affected by a modification or amendment of the Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. In the case of amendments or modifications to the Resolution which are to take effect simultaneously with the issuance or remarketing of Bonds of one or more Series and which amendments or modifications are disclosed in the official statement or other offering document for such Series, purchasers of such Bonds shall be deemed to have consented to such amendments or modifications by virtue of their having purchased such Bonds and the written consents of such purchasers shall not be required. In addition, brokers, dealers and municipal securities dealers that purchase Bonds with a view to distribution may vote the Bonds which they purchase if, and only if, the official statements or other offering documents for all existing Bonds at the time Outstanding under the Resolution expressly disclosed that brokers, dealers and municipal securities dealers that purchase Bonds with a view to distribution may vote the Bonds which they purchase.

Notwithstanding the foregoing, no modification or amendment of the Resolution shall permit a change in the terms of redemption (including sinking fund installment) or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the 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 any Fiduciary without its written assent thereto, or shall permit a change in the terms of redemption or prepayment of any Subordinated Debt or the payment of interest thereon or any other amount payable in connection therewith without the consent of the holder of such Subordinated Debt.

## STATUTORY DEBT ISSUANCE LIMITATIONS

The Act, as amended by the 2012 Legislation, authorizes the issuance of Transportation Program Bonds in each of the State Fiscal Years 2013 through and including 2016 up to the maximum aggregate principal amounts set forth below:

Fiscal Year (July 1 to June 30)	Maximum Aggregate Principal Amount of Transportation Program Bonds Authorized to be Issued
2013	\$1,247,000,000
2014	849,200,000
2015	753,300,000
2016	626,800,000
Total	\$3,458,300,000

The 2012 Legislation provides that (1) if the permitted amount of Transportation Program Bonds, or any portion thereof, is not incurred in a fiscal year, it may be issued in a subsequent fiscal year and (2) thirty percent (30%) of the permitted amount of Transportation Program Bonds for a fiscal year may be issued in the fiscal year preceding such fiscal year provided that (a) any Transportation Program Bonds issued in the fiscal year preceding such fiscal year, shall be deducted from the authorization for the fiscal year from which it was taken, and (b) the proceeds of any such Transportation Program Bonds shall not be encumbered until the fiscal year from which the deduction of the authorization was taken.

### Refunding Bonds

The issuance of bonds, notes or other obligations, including subordinated obligations of the Authority under the Resolution, issued for refunding purposes is not subject to the limitations described in the preceding paragraphs. However, the Act provides that no refunding bonds shall be issued unless the Authority shall first determine that the present value of the aggregate principal amount of and interest on the refunding bonds is less than the present value of the aggregate principal amount of and interest on the Outstanding Bonds to be refinanced, with present value computed using a discount rate equal to the yield of those refunding bonds, and yield computed using an actuarial method based upon a 360-day year with semiannual compounding and upon the prices paid to the Authority by the initial purchasers of those refunding bonds. The Act further provides that upon the decision by the Authority to issue refunding bonds, and prior to the sale of those refunding bonds, the Authority shall transmit to JBOC a report that a decision has been made, reciting the basis on which the decision was made, including an estimate of the debt service savings to be achieved and the calculations upon which the Authority relied when making the decision to issue refunding bonds. The report shall also disclose the intent of the Authority to issue and sell the refunding bonds at public or private sale and the reasons therefor.

**Prior Bonds**

After the issuance of the 2012 Series A Bonds, there will be no remaining unused statutory debt authorization for the issuance of Prior Bonds as New Money Bonds. Accordingly, under current law, only refunding bonds may be issued under the Prior Bond Resolution. See "PRIOR BONDS" herein.

**PRIOR BONDS**

The Authority currently has outstanding \$ \_\_\_\_\_ in aggregate principal amount of its Prior Bonds. All Prior Bonds are payable from the Constitutionally Dedicated Revenues, which are also the source of payment for the Transportation Program Bonds, as well as certain statutorily dedicated revenues which may not be used to pay debt service on Transportation Program Bonds.

For the period commencing with the Fiscal Year 2007 beginning on July 1, 2006 and ending with the Fiscal Year 2011 beginning on July 1, 2010, the Act, as amended by L. 2006, c. 3, provides that up to an aggregate principal amount of \$1,600,000,000 of debt may be issued in any Fiscal Year, but that such amount shall be reduced in each of those Fiscal Years by the amount by which the appropriation of State funds to the Transportation Trust Fund Account for that Fiscal Year exceeds \$895,000,000. However, if a portion of that permitted amount of debt, less any reduction as provided above, is not incurred in a Fiscal Year, an amount not greater than the unused portion may be incurred in a subsequent Fiscal Year in addition to the amount otherwise permitted. The 2012 Series A Bonds will, if and when issued, utilize the entire unused portion of debt authorized to be issued pursuant to L. 2006, c. 3. After the issuance of the 2012 Series A Bonds, the Authority will have outstanding \$ \_\_\_\_\_ in aggregate principal amount of Prior Bonds outstanding under the Prior Bond Resolution.

The issuance of Prior Bonds for refunding purposes is not subject to the limitations described in the preceding paragraph. However, the issuance of Prior Bonds for refunding purposes is subject to the same conditions as apply to the issuance of Refunding Bonds under the Resolution, which conditions are described herein under the heading "STATUTORY DEBT ISSUANCE LIMITATIONS – Refunding Bonds."

For Fiscal Year, 2013, which began July 1, 2012, the State Legislature appropriated \$1,016,836,000 to the Transportation Trust Fund Account – Subaccount for Debt Service for Prior Bonds, which amount will be sufficient to pay the debt service on all of the outstanding indebtedness under the Prior Bond Resolution, including the 2012 Series A Bonds, coming due in such Fiscal Year.

**PLAN OF FINANCE**

Pursuant to the Act and the Resolution, the Authority is issuing the 2012 Series AA Bonds for the purpose (i) paying State Transportation System Costs, and (ii) paying certain costs of issuance of the 2012 Series AA Bonds. A portion of the proceeds of the 2012 Series AA Bonds will be deposited into the Proceeds Account of the Transportation Program Improvement Fund established under the Resolution and applied to the payment of State Transportation System Costs. See "THE TRANSPORTATION SYSTEM IMPROVEMENTS" herein for a description of Transportation System Improvements.

## ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the issuance of the 2012 Series AA Bonds are expected to be as set forth below:

### SOURCES OF FUNDS

Par Amount of 2012 Series AA Bonds  
Net Original Issue [Premium][Discount]  
Total Sources of Funds

### USES OF FUNDS

Deposit to Proceeds Account of the  
Transportation Program Improvement Fund  
Costs of Issuance<sup>1</sup>  
Underwriters' Discount  
Total Uses of Funds

<sup>1</sup>Includes bond ratings, printing, legal and Trustee's fees and other expenses relating to the issuance and sale of the 2012 Series AA Bonds.

## DESCRIPTION OF THE 2012 SERIES AA BONDS

### General

The Resolution, the State Contract and all provisions thereof are incorporated by reference in the text of the 2012 Series AA Bonds. Copies of the Resolution, including the full text of the form of the 2012 Series AA Bonds, and the State Contract are on file at the principal corporate trust office of the Trustee and are available there for inspection and copying. The following is a summary of certain provisions of the 2012 Series AA Bonds and is qualified by reference thereto.

The 2012 Series AA Bonds are to be dated and bear interest from the date of delivery and will mature on the dates and in the principal amounts set forth on the inside front cover hereof. So long as The Depository Trust Company, New York, New York ("DTC"), or its nominee is the registered owner of the 2012 Series AA Bonds, payments of the principal of and interest on the 2012 Series AA Bonds will be made by the Paying Agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC Participants, which will in turn remit such payments to the beneficial owners of the 2012 Series AA Bonds. See "Book-Entry Only System" herein.

The 2012 Series AA Bonds will be issued in fully registered book-entry-only form, without certificates. One certificate shall be issued for the aggregate principal amount of 2012 Series AA Bonds for each interest rate within a stated maturity, and when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as Securities Depository for the 2012 Series AA Bonds. The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the 2012 Series AA Bonds on behalf of the individual purchasers. Individual purchases may be made in denominations of \$5,000, or any integral multiple thereof, through book entries made on the books and the records of DTC and its participants. Individual purchasers of the 2012 Series AA Bonds will not receive certificates representing their beneficial ownership interests in the 2012 Series AA Bonds, but

each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the 2012 Series AA Bonds purchased. In the event the 2012 Series AA Bonds are no longer subject to the DTC Book-Entry Only System, the principal or Redemption Price of 2012 Series AA Bonds will be payable upon surrender of the respective 2012 Series AA Bonds at a designated corporate trust office of the Paying Agent. See "DESCRIPTION OF THE 2012 SERIES AA BONDS - Book-Entry Only System" herein.

The 2012 Series AA Bonds will be dated their date of delivery, will be issued in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination") and will bear interest at the rates shown on the inside cover of this Official Statement, payable initially on \_\_\_\_\_, 2013, and semiannually thereafter on \_\_\_\_\_ and \_\_\_\_\_ in each year, until maturity or prior redemption. Interest will be payable by the Trustee to those registered owners of the applicable 2012 Series AA Bonds whose names appear on the bond register as of the fifteenth (15<sup>th</sup>) day next preceding each \_\_\_\_\_ and \_\_\_\_\_ (the "Record Date"). Interest on the 2012 Series AA Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months.

**Redemption Provisions**

*Optional Redemption.* The 2012 Series AA Bonds maturing on or after \_\_\_\_\_, 202\_ are subject to optional redemption prior to maturity at the option of the Authority, at any time on or after \_\_\_\_\_, 202\_, either in whole or in part, from maturities selected by the Authority at a Redemption Price equal to 100% of the principal amount of the 2012 Series AA Bonds being redeemed, plus accrued interest thereon to the redemption date.

*Mandatory Sinking Fund Redemption.* The 2012 Series AA Bonds maturing on \_\_\_\_\_, 20\_\_ and \_\_\_\_\_, 20\_\_ are subject to mandatory sinking fund redemption prior to maturity, in part, on \_\_\_\_\_ in each of the years and in the respective principal amounts set forth below, at a Redemption Price equal to 100% of the principal amount being redeemed, plus accrued interest, if any, to the date of redemption, from mandatory Sinking Fund Installments:

Term Bond Due _____, 20__		Term Bond Due _____, 20__	
Redemption Date (_____)	Principal Amount	Redemption Date (_____)	Principal Amount

\* Final Maturity.

The 2012 Series AA Bonds may be purchased by the Authority to satisfy the above Sinking Fund Installments from amounts on deposit in the Program Debt Service Fund or from other available funds of the Authority. Unless the Trustee is otherwise directed in writing by the Authority, the 2012 Series AA Bonds so purchased shall be credited toward each Sinking Fund Installment thereafter to become due in

an amount bearing the same ratio to each such Sinking Fund Installment as the total principal amount of all the 2012 Series AA Bonds so purchased bears to the total amount of all such Sinking Fund Installments to be so credited.

Selection of Bonds to be Redeemed. If the 2012 Series AA Bonds are registered in book-entry only form and so long as DTC, or a successor securities depository, is the sole registered owner of the 2012 Series AA Bonds and if less than all of the 2012 Series AA Bonds of a maturity are called for prior redemption, the particular 2012 Series AA Bonds or portions thereof to be redeemed shall be selected on a pro rata basis in accordance with DTC procedures.

If the 2012 Series AA Bonds are not registered in book-entry only form, any redemption of less than all of a maturity of the 2012 Series AA Bonds shall be effected by the Trustee among owners on a pro-rata basis subject to minimum Authorized Denominations.

Notice of Redemption. When the Trustee shall receive notice from the Authority of its election or direction to redeem the 2012 Series AA Bonds, and when redemption of the 2012 Series AA Bonds is authorized or required pursuant to the Resolution, the Trustee shall give notice, in the name of the Authority, of the redemption of such 2012 Series AA Bonds, which notice shall specify the maturities of the 2012 Series AA Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the 2012 Series AA Bonds of the same maturity are to be redeemed, the letters and numbers or other distinguishing marks of such 2012 Series AA Bonds so to be redeemed, and, in the case of 2012 Series AA Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on the redemption date there shall become due and payable upon each 2012 Series AA Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of 2012 Series AA Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice 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 2012 Series AA Bonds or portions of 2012 Series AA Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry books. Such notice shall also be given by publication once a week for at least two (2) successive weeks in any Authorized Newspaper, the first such publication to be made not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. Failure of the registered owner of any 2012 Series AA Bonds which are to be redeemed to receive any such notice, or failure of the Authority to publish notice of redemption as provided in the immediately preceding sentence, shall not affect the validity of the proceedings for the redemption of 2012 Series AA Bonds.

If at the time of the mailing of notice of redemption, the Authority shall not have deposited with the Trustee or the Paying Agent, as applicable, moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is conditional and subject to the deposit of the redemption moneys with the Trustee or the Paying Agent, as applicable, on the Redemption Date, and such notice shall be of no effect unless such moneys are so deposited.

So long as DTC is acting as securities depository for the 2012 Series AA Bonds, all notices of redemption required to be given to the registered owners of the 2012 Series AA Bonds will be given to DTC.



### Mandatory Tender for Purchase of Bonds in Lieu of Optional Redemption

Whenever any Bonds are subject to redemption at the option of the Authority, the Authority may, upon written notice to the Trustee and the delivery of an opinion of Bond Counsel that such action will not adversely affect the tax-exempt status of any Outstanding Bonds, elect to call such Bonds for mandatory tender for purchase in lieu of optional redemption at a purchase price equal to the then applicable Redemption Price of such Bonds. The Authority shall give written notice to the Trustee of its election not less than two (2) Business Days prior to the date on which the Trustee is required to give notice of such mandatory tender for purchase to the Bondholders (or such shorter period as shall be acceptable to the Trustee). The provisions of the Resolution or any Supplemental Resolution or Series Certificate applicable to the redemption of Bonds at the option of the Authority shall also apply to a mandatory tender for purchase of such Bonds in lieu of optional redemption at the Authority's election.

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

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. However, the Authority takes no responsibility for the accuracy thereof, and neither the DTC Participants nor the Beneficial Owners (as defined below) should rely on the following information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

General. Ownership interests in the 2012 Series AA Bonds will be available to purchasers only through a book-entry system (the "Book-Entry System") maintained by DTC, New York, New York, which will act as securities depository for the 2012 Series AA Bonds. The 2012 Series AA Bonds 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. Initially, one fully registered Bond certificate will be issued for each maturity of the 2012 Series AA Bonds, in the aggregate principal amount of such maturity of the 2012 Series AA Bonds, and will be deposited with DTC. The following discussion will not apply to any 2012 Series AA Bonds issued in certificate form due to the discontinuance of DTC's Book-Entry System, as described below.

DTC and its Participants. DTC, the world's largest 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 asset 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 the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, 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.

Purchase of Ownership Interests. Purchases of 2012 Series AA Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2012 Series AA Bonds on DTC's records. The ownership interest of each actual purchaser of a 2012 Series AA Bond ("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. Beneficial Owners, are however, expected to receive written confirmations providing details of the transactions, 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 2012 Series AA Bonds 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 2012 Series AA Bonds, except in the event that use of the book-entry system for the 2012 Series AA Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all 2012 Series AA Bonds 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 2012 Series AA Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2012 Series AA Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2012 Series AA Bonds 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.

Notices. 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. Beneficial Owners of 2012 Series AA Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2012 Series AA Bonds, such as redemptions, defaults, and proposed amendments to the documents relating to the 2012 Series AA Bonds. For example, Beneficial Owners of 2012 Series AA Bonds may wish to ascertain that the nominee holding the 2012 Series AA Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2012 Series AA Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority 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 2012 Series AA Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal and Interest. Principal and interest payments on the 2012 Series AA Bonds 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 Trustee on the 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 accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (or its nominee), the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of the principal and interest on

the 2012 Series AA Bonds 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 Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuation of Book-Entry System. DTC may discontinue providing its services as securities depository with respect to the 2012 Series AA Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates for the 2012 Series AA Bonds are required to be printed and delivered. The use of the system of book-entry transfers through DTC (or a successor depository) may be discontinued as described in the Resolution. In that event, Bond certificates for the 2012 Series AA Bonds 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 the Authority takes no responsibility for the accuracy thereof.

THE AUTHORITY AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO THE DIRECT PARTICIPANTS OR THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE 2012 SERIES AA BONDS (I) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE 2012 SERIES AA BONDS, (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTEREST IN 2012 SERIES AA BONDS OR (III) NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE HOLDER OF THE 2012 SERIES AA BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT ON THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DIRECT PARTICIPANTS, ANY PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE 2012 SERIES AA BONDS UNDER OR THROUGH DTC OR ANY DIRECT PARTICIPANT, OR ANY OTHER PERSON WHICH IS NOT SHOWN ON THE REGISTRATION BOOKS OF THE AUTHORITY KEPT BY THE TRUSTEE AS BEING A BONDHOLDER. THE AUTHORITY AND THE TRUSTEE SHALL HAVE NO RESPONSIBILITY WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, CEDE & CO., ANY DTC PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE 2012 SERIES AA BONDS UNDER THE RESOLUTION; (III) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE WITH RESPECT TO THE 2012 SERIES AA BONDS; (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF 2012 SERIES AA BONDS; OR (V) ANY OTHER MATTER.

SO LONG AS CEDE & CO. IS THE HOLDER OF THE 2012 SERIES AA BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BOND OWNERS OR HOLDERS OF THE 2012 SERIES AA BONDS, OTHER THAN UNDER THE CAPTION "TAX MATTERS," SHALL MEAN CEDE & CO. OR DTC AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2012 SERIES AA BONDS.

## DEBT SERVICE SCHEDULE

The following table sets forth the debt service requirements for the 2012 Series AA Bonds in each Fiscal Year.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
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**DEBT SERVICE SCHEDULE – PRIOR BONDS**

<u>Fiscal</u> <u>Year</u>	<u>Prior Gross</u> <u>Debt Service</u>	<u>2012 Series A</u> <u>Bonds Debt</u> <u>Service</u>	<u>Total Gross</u> <u>Debt Service</u> <sup>†</sup>
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<sup>†</sup> Totals are not adjusted for Federal Cash subsidy for Build America Bonds.

## THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

### Legal Authority and Responsibilities

The Authority is a public body corporate and politic, with corporate succession, constituted as an instrumentality of the State organized and existing under and pursuant to the Act. For the purpose of complying with Article V, Section IV, Paragraph 1 of the State Constitution, the Authority is allocated within, but is independent of any supervision or control by, the Department. The purpose of the Authority is to provide the payment for and financing of all or a portion of the costs incurred by the Department for the planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of the State's transportation system, including, without limitation, (i) the State's share (which may include State advances with respect to any Federal share) under Federal aid highway laws of the costs of planning, acquisition, engineering, construction, reconstruction, repair, resurfacing and rehabilitation of public highways, (ii) the State's share (which may include State advances with respect to any Federal share) of the costs of planning, acquisition, engineering, construction, reconstruction, repair, permitted maintenance and rehabilitation of public transportation projects and other transportation projects in the State, and (iii) State aid to counties and municipalities for transportation projects (collectively, the "State Transportation System Costs").

Under the Act, the Commissioner is also authorized to enter into agreements with public or private entities for the loan of federal funds appropriated to the Department for the purpose of financing all, or a portion of, the costs incurred for the planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of a transportation project by that public or private entity.

Pursuant to the Act, the Commissioner may from time to time (but not more frequently than monthly) certify to the Authority an amount necessary to fund payments made, or anticipated to be made, by or on behalf of the Department from legislative appropriations to the Department of Authority funds. Under the Act, the Authority is obligated to provide such amount from its revenues or other funds, including proceeds of Bonds and proceeds of Prior Bonds. The Act directs the Authority, within 15 days of receipt of the Commissioner's certificate, to transfer funds to the State Treasurer for deposit in a special fund maintained by the State Treasurer (the "Special Transportation Fund") in an amount equal to the amount so certified by the Commissioner. Expenditures from the Special Transportation Fund may be made on behalf of the Department only pursuant to project-specific legislative appropriations. The Department currently provides such certificates on a monthly basis, when cash is necessary for disbursements for transportation system improvements, to attempt to minimize the amounts maintained in the Special Transportation Fund. The Special Transportation Fund is not pledged as security for obligations issued by the Authority under the Resolution.

### Membership and Officers of the Authority

The Act provides that the Authority shall consist of seven members as follows: the Commissioner and the State Treasurer, who are members ex-officio, and five public members. Three of the public members are appointed by the Governor, with the advice and consent of the State Senate, one of whom must represent the interests of trade unions that work on the construction of public highways and another of whom must represent the interests of owners of firms that are eligible to submit bids for the construction of public highways. The two remaining public members also are appointed by the Governor, one upon the recommendation of the President of the State Senate and the other upon the recommendation of the Speaker of the State General Assembly. The public members serve a four-year term; provided, however, that the public member appointed by the Governor upon recommendation of the Speaker of the State General Assembly serves a two-year term. Each public member holds office for the term of the member's appointment and until a successor has been appointed and qualified. A member shall be

eligible for reappointment. No more than four members of the Authority may be of the same political party. All members of the Authority serve without compensation but may be reimbursed for their actual expenses necessarily incurred in the discharge of their official duties.

The Act provides that the Commissioner shall serve as Chairperson of the Authority and that the members of the Authority annually shall elect one of their members as Vice Chairperson. The members of the Authority also elect a secretary and a treasurer who need not be members of the Authority, and the same person may be elected to serve as both secretary and treasurer.

The present members of the Authority are:

James S. Simpson: *ex-officio*, Chairperson; Commissioner of the New Jersey Department of Transportation.

Andrew P. Sidamon-Eristoff: *ex-officio*; Treasurer of the State of New Jersey.

Greg Lalevee, Vice Chairman, Statutory Representative of Interest of Trade Unions; Public Member

Robert A. Briant, Jr.: Chief Executive Officer of the Utility and Transportation Contractors Association; Public Member.

Nelson Ferreira: President & Chief Executive Officer of Ferreira Construction Company, Inc., Statutory Representative of a Transportation Firm; Public Member.

Joseph Ripa: Camden County Clerk, Camden, New Jersey; Retired, President, ATU880, Public Member.

There is currently one vacancy among the Public Members of the Authority.

The officers of the Authority are:

Gary Brune: *Executive Director; Chief Financial Officer*; New Jersey Department of Transportation.

Steven Petrecca: *Treasurer; Assistant State Treasurer*; New Jersey Department of the Treasury.

Judith Sigle, *Tax Compliance Officer and Comptroller*; Director of Accounting and Auditing; New Jersey Department of Transportation

Linda Davino: *Secretary*; New Jersey Department of Transportation.

### **Powers of the Authority**

Under the terms of the Act, the powers of the Authority are vested in the members thereof in office and four members of the Authority shall constitute a quorum at any meeting thereof. No vacancy in the membership of the Authority shall impair the right of a quorum of the members to exercise all the powers and perform all the duties of the Authority. Action may be taken and motions adopted by the Authority at any meeting thereof by the affirmative vote of at least four members of the Authority. No action taken by the Authority at any meeting shall have force or effect until fifteen days after a true copy of the minutes of such meeting has been delivered by and under the certification of the secretary of the Authority to the Governor of the State, unless during such fifteen day period the Governor (i) vetoes such

action, in which case such action shall not become effective, or (ii) approves in writing the same or any part thereof, in which case the action becomes effective upon such approval.

In addition to the power to enter into the contracts with the State described under the heading “SECURITY FOR THE 2012 SERIES AA BONDS — Property Pledged to the 2012 Series AA Bonds; the State Contract; the Act; the Resolution” herein, the Authority has (among others) the following powers:

- i. to borrow money and issue its bonds, notes and other obligations and to secure the same by its revenues and other funds and to otherwise provide for and secure the payment thereof, and to provide for the refunding thereof;
- ii. to issue subordinated indebtedness and to enter into revolving credit agreements, lines of credit, letters of credit, reimbursement agreements, interest rate exchange agreements, insurance contracts, surety bonds, bond purchase agreements and other security agreements;
- iii. subject to any agreements with holders of its bonds, notes or other obligations, to invest any moneys not required for immediate use, including proceeds from the sale of bonds, notes or other obligations, at the discretion of the Authority, in such obligations, securities and other investments as the Authority shall deem prudent;
- iv. in its own name, or in the name of the State or, in the name of New Jersey Transit Corporation (“NJ Transit”), to apply for and receive and accept appropriations or grants of property, money, services or reimbursements for money previously spent and other assistance made available to it by or from any person, government agency, public authority or any public or private entity whatever for any lawful corporate purpose of the Authority;
- v. subject to any agreement with holders of its bonds, notes or other obligations, to purchase bonds, notes or other obligations of the Authority out of any funds or moneys of the Authority available therefor, and to hold, cancel or resell the bonds, notes or other obligations; and
- vi. to acquire, lease as lessee or lessor, hold and dispose of real and personal property or any interest therein in the exercise of its powers and the performance of its duties under the Act.

No resolution or other action of the Authority providing for the issuance of the bonds, refunding bonds or other obligations shall be adopted by the Authority, or otherwise made effective, without prior written approval of the Governor and the State Treasurer. Any decision by the Authority to issue refunding bonds must be approved by JBOC.



## **THE TRANSPORTATION SYSTEM IMPROVEMENTS**

The transportation system (which includes but is not limited to highways, roads, bridges, public transit facilities, pedestrian and bicycle trails, railroad rights-of-way, airports and intermodal facilities) of the State is among the most heavily used in the United States. The Department is implementing transportation system improvements which are expected to enable the State to construct, modernize, reconstruct, rehabilitate and maintain a safe, balanced, sound and efficient transportation system necessary for the well being of the State's citizens. The State's commitment to the payment for and the financing of the transportation system improvements in a stable fashion is intended to ensure a predictable and continuing public investment in the State's transportation system.

Pursuant to the Act, the transportation system improvements encompass the planning, acquisition, engineering, construction, reconstruction, repair, capital maintenance assistance, maintenance, operations, resurfacing and rehabilitation and improvement of, and acquisition of easements and rights-of-way with respect to, the transportation system, and any equipment, facility or property useful and related to the provision of any ground, waterborne or air transportation for the movement of people and goods. The transportation system improvements also include State aid to counties and municipalities for local transportation system improvements.

Improvements undertaken by the Department are to be funded primarily by a combination of Federal moneys, State general obligation bond proceeds and Authority funds. Pursuant to legislative directive, the Authority is responsible for funding that portion of the State's share of these improvements which are not provided by other sources. Pursuant to the Act, the Authority is required to minimize debt incurrence by first relying on appropriations and other revenues available to the Authority before incurring debt to meet its statutory purposes.

## **THE NEW JERSEY DEPARTMENT OF TRANSPORTATION**

### **The State Transportation System**

New Jersey's transportation system consists of 13,059 lane miles of state highways maintained by the Department and approximately 35,600 center line miles maintained by independent state toll road authorities, county governments, and municipal governments. Approximately 6,900 bridges are located throughout the State, of which 2,388 are owned by the Department, 761 are owned by NJ Transit, 1,008 are owned by the Turnpike Authority, and the remainder are owned by other private and public entities.

The State transportation system also consists of commuter rail, light rail, and bus lines in the State, which are principally operated by NJ Transit. NJ Transit is the nation's third largest provider and the only statewide provider of bus and commuter rail service connecting points in New Jersey, New York and Philadelphia. NJ Transit provides the region with over 263 million passenger trips annually. NJ Transit operates approximately 700 daily revenue trains on 11 rail lines over 1,000 route miles of track serving 163 stations, and over 2,200 buses over 261 routes. NJ Transit also operates three light rail lines: the 5.3 mile Newark City Subway, the Hudson Bergen Light Rail providing service from 21st Street in Bayonne to Lincoln Harbor in Weehawken with an extension to West Side Avenue in Jersey City, and the 34 mile River LINE connecting Trenton and Camden.

NJ Transit provides connections to other transit systems. At New York's Penn Station, connections are available to Amtrak, the Long Island Railroad and the New York City subway. At Trenton, riders can transfer to Southeastern Pennsylvania Transportation Authority ("SEPTA") and Amtrak trains. Hoboken Terminal and Newark Penn Station are transfer points to the Port Authority Trans-Hudson ("PATH") trains to Jersey City and New York City. At Lindenwold in Camden County,

the Atlantic City Rail Line operated by NJ Transit connects with New Jersey-Pennsylvania Port Authority Transportation Company ("PATCO") rapid transit services to Camden and Philadelphia and with Amtrak trains.

## **Organization**

The State has an integrated approach to all transportation problems. The Department's responsibilities have steadily changed since its establishment in 1966, with emphasis shifting from primarily highway-related programs to a balanced concern for highways and the preservation and improvement of rail and bus transportation. The Department is responsible for the maintenance and improvement of all State highways and bridges, the provision of assistance to counties and municipalities and the overall planning and coordination of the State's transportation system. The Department also reviews the operations of NJ Transit. Although NJ Transit is self-regulating as to fares and levels of service which it operates or supports, with the exception of interstate bus service, the Department retains certain regulatory control over safety and maintenance. The Department's mission is to provide for the movement of people and goods with a commitment to safety, excellence, efficiency, the environment and its customers-the citizens of New Jersey.

The Department is headed by a Commissioner appointed by and directly responsible to the Governor for fulfilling the purposes and supervising the activities of the Department. The Commissioner is responsible for all policies and directives of the Department and serves as Chairperson of the Authority and of NJ Transit. A Deputy Commissioner, a Chief of Staff, six Assistant Commissioners and one Executive Director assist the Commissioner in managing the Department.

The Deputy Commissioner is responsible for the day-to-day operations of the Department, enabling the Commissioner to better balance his or her time in his or her roles as Chief Executive Officer of the Department, Chairperson of the Authority and of NJ Transit, and an ex-officio member of each of the State transportation authorities.

The Chief Financial Officer, who is an Assistant Commissioner, provides general oversight of the Department's financial affairs, ensures that financial transactions are in compliance with State and Federal regulations, and implements sound financial management principles. The Chief Financial Officer oversees the preparation of the Department's annual budget and the development of the budget implementation and initiative action plans. In addition, the Chief Financial Officer acts as Executive Director of the Authority.

The Assistant Commissioner for Administration supervises the operation and maintenance of the Department's physical plant facilities, human resource management, employee safety, information systems, training and development, civil rights and affirmative action programs.

The Assistant Commissioner for Government and Community Relations is responsible for legislative relations and customer advocacy.

The Assistant Commissioner for Capital Investment, Planning and Grant Administration assesses current and future conditions, demands and opportunities to improve transportation facilities and services. Transportation facility planning spans all modes of transportation including the State's public use airports, rail freight infrastructure, and the maritime industry. The Assistant Commissioner also administers State and Federal aid programs related to municipal and county governments and operates a research and technology effort that investigates and demonstrates new transportation technologies. In addition, the Assistant Commissioner develops a Statewide Transportation Capital Investment Strategy, the Annual Capital Program, the Statewide Transportation Improvement Program ("STIP"), and the Study

and Development Program. Part of this responsibility involves the development and implementation of an asset management program to optimize investment in the State's existing transportation infrastructure. To effectively prepare and deliver capital projects, the Assistant Commissioner is involved with the various stages of work from preliminary engineering to final construction.

The Assistant Commissioner for Operations is responsible for maintenance and operation of the State highway system. This Assistant Commissioner oversees maintenance of the roadways, bridges, rights-of-way, signs, drawbridges, traffic signals, and highway lighting and is responsible for maintaining the equipment fleet and regional maintenance yards. This Assistant Commissioner is also responsible for safe operation of the State highway system, including snow and ice removal, traffic engineering, operation of the traffic operations centers, emergency patrols, and intelligent transportation systems.

The Executive Director for Statewide Traffic Operations is responsible for coordinating the operation of traffic operations centers and incident management services provided by the Department and the State's independent toll road authorities. The purpose of this office is to ensure that the daily management of traffic congestion and traffic incidents in the State is coordinated on a statewide level.

NJ Transit maintains its own financial management and accounting systems, in accordance with its statutory powers and in conformity with general State practices and Federal requirements. As a general practice, NJ Transit draws funds appropriated by the State on a periodic basis and administers its own investments and disbursements. NJ Transit's finances are audited annually by an independent auditor and are reported to the State Legislature.

#### LITIGATION

There is no litigation of any nature now pending, or, to the knowledge of the Authority, threatened, restraining or enjoining the issuance, sale, execution or delivery of the 2012 Series AA Bonds, or the contemplated uses of the proceeds of the 2012 Series AA Bonds, or in any way contesting or affecting the validity of the 2012 Series AA Bonds, the State Contract, the Act or any proceedings of the Authority or the State taken with respect to the issuance, sale, execution or delivery thereof, or the pledge or application of any moneys or security provided for the payment of the 2012 Series AA Bonds or the existence or powers of the Authority or the State Contract or the title of any officers or members of the Authority to their respective positions.

## **CERTAIN LEGAL MATTERS**

Legal matters related to the authorization, execution, issuance and delivery of the 2012 Series AA Bonds are subject to the approval of McCarter & English, LLP, Newark, New Jersey, Bond Counsel. The opinion of Bond Counsel will be delivered with the 2012 Series AA Bonds in substantially the form included in this Official Statement as Appendix V. Certain legal matters in connection with the 2012 Series AA Bonds will be passed upon for the Authority by the Attorney General of the State, and for the Underwriters by their counsel, DeCotiis, FitzPatrick & Cole, LLP, Teaneck, New Jersey.

## **LEGALITY FOR INVESTMENT**

The Act provides that the State and all public officers, governmental units and agencies thereof, all banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds or notes issued pursuant to the Act, and the bonds or notes shall be authorized security for any and all public deposits.

## **TAX MATTERS**

### **Exclusion of Interest on the 2012 Series AA Bonds From Gross Income for Federal Tax Purposes**

The 2012 Series AA Bonds are treated for federal tax purposes as part of a single issue with the 2012 Series A Bonds (collectively, the "2012 Bonds"). The Internal Revenue Code of 1986, as amended (the "Code") imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the 2012 Bonds in order to assure that interest on the 2012 Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Authority to comply with such requirements may cause interest on the 2012 Bonds to be included in gross income for federal income tax purposes, retroactive to the date of issuance of the 2012 Bonds. The Authority will make representations in the Tax Certificate, which will be executed on the date of issuance of the 2012 Bonds, as to various tax requirements. The Authority, in executing the Tax Certificate, will represent that the Authority expects and intends to comply, and to the extent permitted by law, will comply with the provisions and procedures set forth in the Tax Certificate and will do all things necessary to assure that the interest on the 2012 Bonds will be excluded from gross income under Section 103 of the Code. McCarter & English, LLP, Bond Counsel to the Authority, has relied upon the representations made in the Tax Certificate and has assumed continuing compliance by the Authority with all applicable federal income tax law requirements in rendering its federal income tax opinion with respect to the exclusion of interest on the 2012 Bonds from gross income for federal income tax purposes.

Based upon the foregoing, Bond Counsel is of the opinion that under existing law, interest on the 2012 Bonds is excluded from the gross income of the owners of the 2012 Bonds for federal income tax purposes pursuant to Section 103 of the Code, and interest on the 2012 Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax.

## **Additional Federal Income Tax Consequences**

In the case of certain corporate holders of the 2012 Bonds, interest on the 2012 Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the 2012 Bonds in “adjusted current earnings” of certain corporations.

Prospective purchasers of the 2012 Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the 2012 Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations. Prospective purchasers of the 2012 Bonds should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the 2012 Bonds from gross income pursuant to Section 103 of the Code and the exclusion of interest on the 2012 Bonds in the determination of the alternative minimum tax. Prospective purchasers of the 2012 Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the 2012 Bonds.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing state and local government obligations, which may include randomly selecting bond issues for audit, to determine whether interest paid to the holders is properly excludable from gross income for federal income tax purposes. It cannot be predicted whether the 2012 Bonds will be audited. If an audit is commenced, under current Service procedures the holders of the 2012 Bonds may not be permitted to participate in the audit process, and the value and liquidity of the 2012 Bonds may be adversely affected.

## **Original Issue Discount**

Certain maturities of the 2012 Series AA Bonds (the “Discount Bonds”) were sold at an initial offering price less than the principal amount payable on the Discount Bonds at maturity. The difference between the initial public offering price at which a substantial amount of each of the Discount Bonds was sold and the principal amount payable at maturity of each of the Discount Bonds constitutes original issue discount. Bond Counsel is of the opinion that the appropriate portion of the original issue discount allocable to the original and each subsequent owner of the Discount Bonds will be treated for federal income tax purposes as interest not includable in gross income under Section 103 of the Code to the same extent as stated interest on the Discount Bonds. Under Section 1288 of the Code, original issue discount on the Discount Bonds accrues on the basis of economic accrual. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Bond will be increased by the amount of such accrued discount. Owners of the Discount Bonds should consult their personal tax advisors with respect to the determination for federal income tax purposes of the original issue discount properly accruable with respect to the Discount Bonds and the tax accounting treatment of accrued interest.

## **Original Issue Premium**

Certain maturities of the 2012 Series AA Bonds (the “Premium Bonds”) were sold at an initial offering price in excess of the amount payable at the maturity date. The excess, if any, of the tax basis of the Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory,

stock in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner's tax cost of the Premium Bonds 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 Bonds. Accordingly, an owner of a Premium Bond may have taxable gain from the disposition of the Premium Bond, even though the Premium Bond is sold, or disposed of, for a price equal to the owner's original cost of acquiring the Premium Bond. Bond premium amortizes over the term of the Premium Bonds under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Premium Bonds should consult their own tax advisors with respect to the calculation of the amount of bond premium which 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 Bonds.

### **State Taxation**

Bond Counsel is of the opinion that, under existing law, interest on the 2012 Series AA Bonds and net gains from the sale of the 2012 Series AA Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

### **Changes in Federal Tax Law**

Federal, state or local legislation, administrative pronouncements or court decisions may affect the tax-exempt status of interest on the 2012 Bonds, gain from the sale or other disposition of the 2012 Bonds, the market value of the 2012 Bonds, or the marketability of the 2012 Bonds. For example, the President of the United States has submitted proposals to Congress for legislation that would, among other things, limit the value of tax-exempt interest for higher-income taxpayers. No prediction can be made as to the ultimate outcome of these legislative proposals. If enacted into law, such proposals (or any other proposal involving a piecemeal or comprehensive review of the provisions of the Code, including provisions affecting the federal tax treatment of interest on tax-exempt bonds, that Congress might consider) could affect the tax exemption of interest, market price or marketability of tax-exempt bonds (including the 2012 Bonds). Prospective purchasers of the 2012 Bonds should consult their own tax and financial advisers regarding such matters.

### **General Matters**

Bond Counsel will render its opinion as of the issue date, and will assume no obligation to update its opinions after the issue date to reflect any future facts or circumstances, or any future changes in law or interpretation, or otherwise. Moreover, the opinions of Bond Counsel are only opinions and not a warranty or guaranty of the matters discussed.

See Appendix V to this Official Statement for the complete text of the proposed form of Bond Counsel's opinion with respect to the 2012 Series AA Bonds.

## **UNDERWRITING**

The 2012 Series AA Bonds are being purchased by Barclays, as representative of the underwriters listed on the cover page hereof (the "Underwriters"). The Underwriters have agreed, subject to certain conditions, to purchase all of the 2012 Series AA Bonds at an aggregate purchase price of \_\_\_\_\_, which is equal to the aggregate principal amount of 2012 Series AA Bonds, [plus net original issue premium] [less net original issue discount] in the amount of \$ \_\_\_\_\_, and less an

Underwriters' discount in the amount of \$ \_\_\_\_\_. The initial public offering prices of the 2012 Series AA Bonds set forth on the inside cover page of this Official Statement may be changed without notice by the Underwriters. The Underwriters may offer and sell the 2012 Series AA Bonds to certain dealers (including dealers depositing 2012 Series AA Bonds into investment trusts, certain of which may be sponsored or managed by the Underwriters) and others at prices or yields lower than the offering prices or yields set forth on the inside cover page hereof.

## **RATINGS**

Fitch, Inc. ("Fitch"), Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P") and Moody's Investors Service, Inc. ("Moody's") have assigned municipal bond ratings of "\_\_\_," "\_\_\_," and "\_\_\_") respectively, to the 2012 Series AA Bonds.

Such ratings reflect only the views of each organization, and an explanation of the significance of such ratings can only be obtained from Fitch, Moody's and S&P at the following addresses: Fitch, Inc., One State Street Plaza, New York, New York, 10004, Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007 and Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041. There is no assurance that these ratings will remain in effect for any given period of time or that they will not be revised downward or withdrawn entirely by Fitch, Moody's and S&P if, in the judgment of these rating agencies, circumstances so warrant. Any such downgrade revision or withdrawal of such ratings may have an adverse effect on the market price of the 2012 Series AA Bonds. The Underwriters have not agreed to take any action with respect to any proposed rating changes or to bring such rating changes, if any, to the attention of the owners of the 2012 Series AA Bonds.

## **CONTINUING DISCLOSURE AGREEMENT**

Upon the issuance and delivery of the 2012 Series AA Bonds, the Authority and the State Treasurer will enter into an agreement (the "Continuing Disclosure Agreement") with the Trustee, as dissemination agent, for the benefit of the holders of the 2012 Series AA Bonds, to comply with the secondary market disclosure requirements of the United States Securities and Exchange Commission's Rule 15c2-12. Pursuant to the Continuing Disclosure Agreement, the State Treasurer will covenant to provide certain financial information and operating data relating to the State, to the Municipal Securities Rulemaking Board ("MSRB"). Further, the Authority will covenant to provide notices of the occurrence of certain enumerated events, if material. The Trustee shall file such information on behalf of the Treasurer and such notices on behalf of the Authority with the MSRB. The Trustee may meet the continuing disclosure filing requirements described above by providing such information to the MSRB or by complying with any other procedure that may be authorized by the United States Securities and Exchange Commission. The form of the Continuing Disclosure Agreement is set forth in APPENDIX IV hereto.

For the Fiscal year ended June 30, 2007, the Treasurer of the State failed to provide the State's annual report containing its financial and operating data as required by the State's various Agreements with Respect to Continuing Disclosure entered into by the State in connection with its general obligation bonds. The annual report was due to the nationally recognized municipal securities repositories on March 15, 2008. The annual report was filed on March 25, 2008.

For the fiscal year ended June 30, 2008, the State Treasurer failed to provide the State's annual report containing its financial and operating data as required by the State's various Agreements with Respect to Continuing Disclosure entered into by the State in connection with its general obligation

bonds. The annual report was due to the nationally recognized municipal securities repositories on March 15, 2009. The annual report was filed on March 31, 2009.

The annual report for the fiscal year ended June 30, 2009, due March 15, 2010, was filed on March 15, 2010. The annual report for the fiscal year ended June 30, 2010, due March 15, 2011, was filed on February 1, 2011. The annual report for the fiscal year ended June 30, 2011, due March 15, 2012, was filed on February 10, 2012.

#### MISCELLANEOUS

Copies of the Resolution may be obtained upon request from the Office of Public Finance, New Jersey Department of the Treasury, P.O. Box 005, Trenton, New Jersey 08625.

This Official Statement is distributed in connection with the sale and issuance of the 2012 Series AA Bonds and may not be reproduced or used as a whole or in part, for any other purpose. This Official Statement has been duly authorized and approved by the Authority and duly executed and delivered on its behalf by the official signing below.

Any statements in this Official Statement involving matters of opinion, projections or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. The agreements of the Authority are fully set forth in the Resolution in accordance with the Act and this Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or owners of any 2012 Series AA Bonds.

#### NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

By: \_\_\_\_\_  
Gary Brune, Executive Director

Dated: November \_\_, 2012



**APPENDIX I-1**

**SUPPLEMENT DATED \_\_\_\_\_, 2012 TO APPENDIX I**

**APPENDIX I**

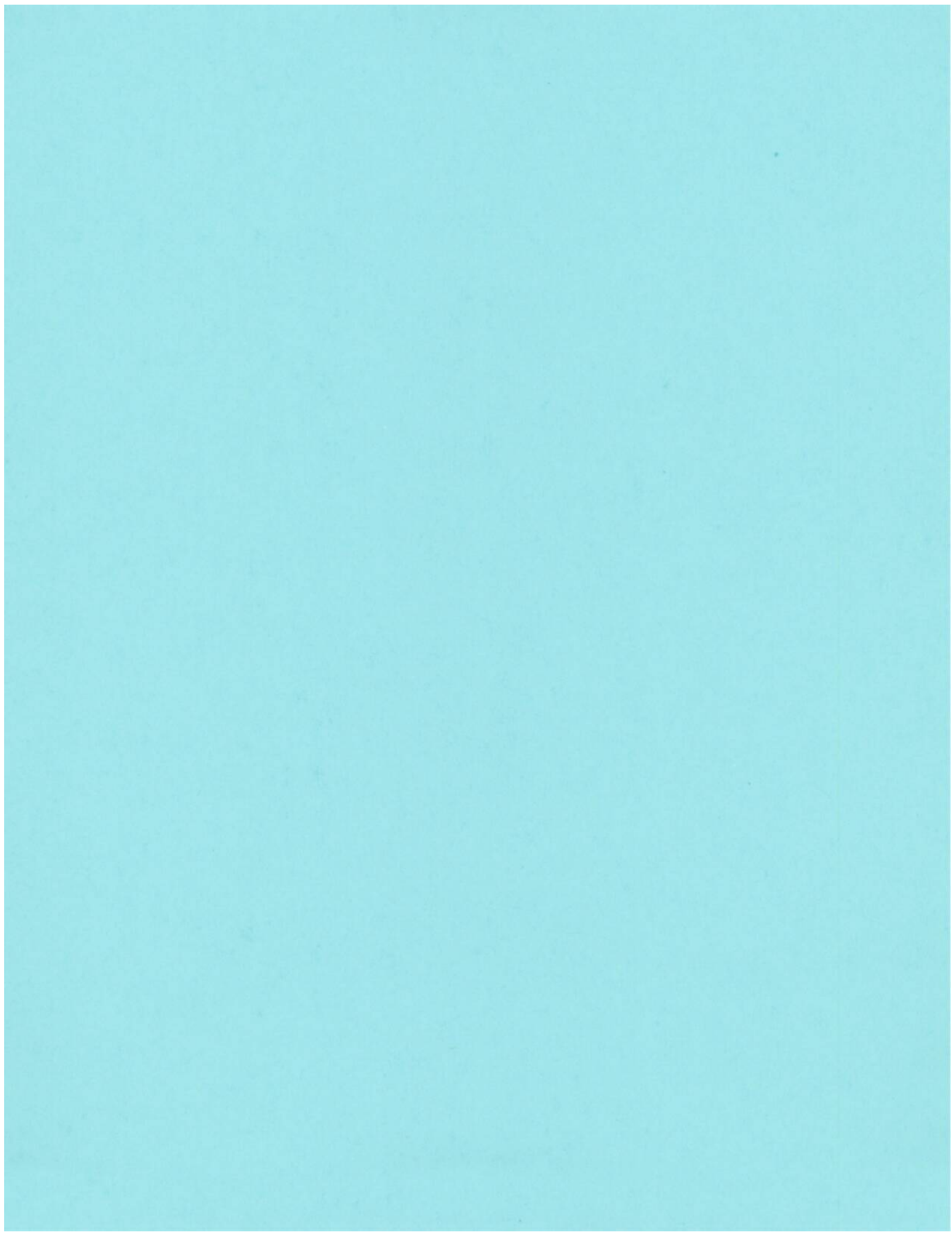
**FINANCIAL AND OTHER INFORMATION RELATING TO THE STATE OF NEW JERSEY**

**APPENDIX II**  
**COPY OF THE RESOLUTION**

**APPENDIX III**  
**FORM OF THE STATE CONTRACT**

**APPENDIX IV**  
**FORM OF THE CONTINUING DISCLOSURE AGREEMENT**

**APPENDIX V**  
**FORM OF OPINION OF BOND COUNSEL**



## CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (the “Disclosure Agreement”) is made as of the 1st day of \_\_\_\_\_, 2012, by and among the TREASURER OF THE STATE OF NEW JERSEY (the “Treasurer”), the NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY (the “Authority”), a public body corporate and politic of the State of New Jersey (the “State”), and \_\_\_\_\_, as Dissemination Agent (the “Dissemination Agent”), in its capacity as trustee under the 2012 Transportation Program Bond Resolution adopted by the Authority on \_\_\_\_\_, 2012, as amended and supplemented (the “General Bond Resolution”), including as supplemented by the First Supplemental Transportation Program Bond Resolution adopted by the Authority on \_\_\_\_\_, 2012, and a Series Certificate of the Authority, dated \_\_\_\_\_, 2012 (collectively, the “Resolution”). This Disclosure Agreement is entered into in connection with the issuance and sale of the Authority’s \$\_\_\_\_\_,000,000 Transportation Program Bonds, 2012 Series AA (the “2012 Series Bonds”).

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered for the benefit of the holders and beneficial owners of the 2012 Series Bonds (collectively, the “Bondholders” or the “Holders”) and in compliance with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”), as it may be amended from time to time, including administrative or judicial interpretations thereof, as it applies to the 2012 Series Bonds.

**SECTION 2. Definitions.** In addition to the definitions set forth above and in the Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“**Continuing Disclosure Information**” shall mean, collectively, (i) Treasurer’s Annual Reports, (ii) any notice required to be filed with the MSRB pursuant to Section 3(c) of this Disclosure Agreement, and (iii) any notice of a Listed Event required to be filed with the MSRB pursuant to Section 5(c) of this Disclosure Agreement.

“**Listed Events**” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board.

“**Opinion of Counsel**” shall mean a written opinion of counsel expert in federal securities law acceptable to the Treasurer and the Authority.



“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as it may be amended from time to time, including administrative or judicial interpretations thereof, as it applies to the 2012 Series Bonds.

“Treasurer’s Annual Report” shall mean the Treasurer’s Annual Report provided pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

**SECTION 3. Provision of the Treasurer’s Annual Report.**

(a) The Treasurer shall, no later than March 15, 2013 and March 15 of each year during which any of the 2012 Series Bonds remain Outstanding, provide to the Dissemination Agent the Treasurer’s Annual Report prepared for the fiscal year of the State ending the immediately preceding June 30 (or if the fiscal year of the State shall end on any date other than June 30, the Treasurer shall provide the Treasurer’s Annual Report to the Dissemination Agent not later than the fifteenth day of the ninth month next following the end of such other fiscal year); provided, however, that the audited financial statements of the State may be submitted separately from the Treasurer’s Annual Report and later than the date required herein for the filing of the Treasurer’s Annual Report if such audited financial statements are not available by such date, but only if the unaudited financial statements are included in such respective Treasurer’s Annual Report. Each Treasurer’s Annual Report provided to the Dissemination Agent by the Treasurer shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package. Each Treasurer’s Annual Report may cross-reference other information which is available to the public on the MSRB’s internet website or which has been filed with the SEC and, if the document incorporated by reference is a final official statement, it must be available from the MSRB. Unless otherwise provided by law, any Continuing Disclosure Information filed with the MSRB in accordance with this Disclosure Agreement shall be in an electronic format as shall be prescribed by MSRB Rule G-32, and shall be accompanied by such identifying information as shall be prescribed by MSRB Rule G-32.

(b) The Dissemination Agent, promptly on receiving the Treasurer’s Annual Report, and, in any event, not later than April 1 in each year (or if the fiscal year of the State shall end on any date other than June 30, not later than the first day of the tenth month next following the end of such other fiscal year), shall submit such Treasurer’s Annual Report received by it to the MSRB in accordance with the Rule.

(c) If the Treasurer fails to submit the Treasurer’s Annual Report to the Dissemination Agent by the date required in subsection (a) of this Section 3, the Dissemination Agent shall send a notice to the Treasurer and the Authority advising of such failure. Whether or not such notice is given or received, if the Treasurer thereafter fails to submit the Treasurer’s Annual Report to the Dissemination Agent by the last Business Day of the month in which such Treasurer’s Annual Report was due, the Dissemination Agent shall promptly send a notice to the MSRB, in substantially the form attached as Exhibit A hereto.

(d) (i) Notwithstanding anything to the contrary contained in this Disclosure Agreement, in order to expedite the transmission of the Treasurer’s Annual Report to the MSRB, as set forth in subsections (a), (b) and (c) of this Section 3, the Treasurer shall have

the option, but shall not be obligated, to submit the Treasurer's Annual Report directly to the MSRB no later than March 15 in each year (or if the fiscal year of the State shall end on any date other than June 30, not later than the fifteenth day of the ninth month next following the end of such other fiscal year). In the event that the Treasurer elects to submit the Treasurer's Annual Report directly to the MSRB, the Treasurer shall, at the same time, submit the Treasurer's Annual Report to the Dissemination Agent together with evidence that such Treasurer's Annual Report has been forwarded by the Treasurer to the MSRB, upon which evidence the Dissemination Agent may rely. In the event that the Treasurer elects not to submit the Treasurer's Annual Report directly to the MSRB, the Treasurer shall provide the Treasurer's Annual Report to the Dissemination Agent within the time period specified in subsection (a) of this Section 3.

(ii) If the Dissemination Agent does not receive notice that the Treasurer has submitted the Treasurer's Annual Report directly to the MSRB as provided in subsection (d)(i) of this Section 3 by the last Business Day of the month in which such Treasurer's Annual Report was due, the Dissemination Agent shall promptly send a notice to the MSRB, in substantially the form attached as Exhibit A hereto.

#### **SECTION 4. Contents of the Treasurer's Annual Report.**

(a) Treasurer's Annual Report means (i) information pertaining to the finances and operating data of the State substantially of the type captioned as follows in Appendix I to the Official Statement of the Authority circulated in connection with the issuance of the 2012 Series Bonds: "STATE FINANCES," "FINANCIAL RESULTS AND ESTIMATES," "OUTSTANDING BONDED INDEBTEDNESS OF THE STATE," "TAX AND REVENUE ANTICIPATION NOTES," "OBLIGATIONS SUPPORTED BY STATE REVENUE SUBJECT TO ANNUAL APPROPRIATION," "MORAL OBLIGATION FINANCING," "STATE EMPLOYEES," "FUNDING PENSION PLANS," "FUNDING POST-RETIREMENT MEDICAL BENEFITS" and "LITIGATION" and (ii) "COMPREHENSIVE ANNUAL FINANCIAL REPORT," being the audit report prepared annually by the Office of the State Auditor with respect to the State's general purpose financial statements for each year, as set forth in Appendix I-A attached to such Appendix I described above, all such financial information included in clause (ii) above being prepared using the accounting standards set forth in subsection (b) of this Section 4.

(b) The State prepares its financial statements in accordance with the provisions of Statements No. 34 and No. 35 of the Governmental Accounting Standards Board.

#### **SECTION 5. Reporting of Listed Events.**

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following listed events (the "Listed Events"):

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;

- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2012 Series Bonds, or other material events affecting the tax status of the 2012 Series Bonds;
- (7) Modification to rights of Bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances of the 2012 Series Bonds;
- (10) Release, substitution or sale of property securing repayment of the 2012 Series Bonds, if material;
- (11) Rating changes relating to the 2012 Series Bonds;
- (12) Bankruptcy, insolvency, receivership or similar event of the Authority;
- (13) The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee for the 2012 Series Bonds or the change of name of a trustee for the 2012 Series Bonds, if material.

(b) The Treasurer shall in a timely manner not in excess of seven (7) Business Days after the occurrence of any Listed Event notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. The Authority shall promptly upon obtaining actual knowledge of the occurrence of any of the Listed Events notify the Treasurer in writing of the occurrence of such event, but shall not be required to give any such notice to the Dissemination Agent. In determining the materiality of any of the Listed Events specified in

subsection (a) of this Section 5, the Treasurer and the Authority may, but shall not be required to, rely conclusively on an Opinion of Counsel.

(c) If the Dissemination Agent has been instructed by the Treasurer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB within three (3) Business Days of the receipt of such instruction, but in no event later than ten (10) Business Days after the occurrence of a Listed Event. In addition, notice of Listed Events described in subsections (a)(8) and (9) of this Section 5 shall be given by the Dissemination Agent under this subsection simultaneously with the giving of the notice of the underlying event to the Holders of the affected 2012 Series Bonds pursuant to the Resolution:

(d) Notwithstanding anything to the contrary in this Disclosure Agreement, in order to expedite the transmission of the occurrence of Listed Events as set forth in this Section 5, the Treasurer shall have the option, but shall not be obligated to, file timely notice (which notice, if filed, shall not be filed in excess of ten (10) Business Days after the occurrence of any Listed Event), directly with the MSRB, copying the Dissemination Agent on any such notice.

**SECTION 6. Termination of Reporting Obligation.** The respective obligations of the Treasurer and the Authority under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the 2012 Series Bonds.

**SECTION 7. Amendment; Waiver.** Notwithstanding any other provisions of this Disclosure Agreement, the Authority and the Treasurer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an Opinion of Counsel addressed to the Treasurer, the Authority and the Dissemination Agent to the effect that such amendment or waiver will not, in and of itself, cause the undertakings herein to violate the Rule. No amendment to this Disclosure Agreement shall change or modify the rights or obligations of the Dissemination Agent without its written assent thereto.

**SECTION 8. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Treasurer or the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Treasurer's Annual Report or notice of occurrence of a Listed Event, as the case may be, in addition to that which is required by this Disclosure Agreement. If the Treasurer or the Authority chooses to include any information in any Treasurer's Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, it shall not have any obligation under this Disclosure Agreement to update or continue to provide such information or include it in any future Treasurer's Annual Report or notice of occurrence of a Listed Event.

**SECTION 9. Default.**

(a) In the event of a failure of the Treasurer or the Authority to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the written request of the Holders of at least 25% in aggregate principal amount of Outstanding 2012 Series Bonds affected by such failure shall), or any Bondholder may take such actions as may be

necessary and appropriate to cause the Treasurer or the Authority to comply with its obligations under this Disclosure Agreement; provided, however, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Notwithstanding the foregoing, the right of any Bondholder to challenge the adequacy of information provided pursuant to this Disclosure Agreement shall be limited in the same manner as enforcement rights are limited under the General Bond Resolution. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the Treasurer or the Authority to comply with this Disclosure Agreement shall be an action to compel performance.

(b) For purposes of this Disclosure Agreement, in making determinations under applicable securities law, the Treasurer or the Authority may, but shall not be required to, rely on an Opinion of Counsel with respect to matters of a legal nature.

**SECTION 10. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Dissemination Agent and the Bondholders, and each Bondholder is hereby declared to be a third party beneficiary of this Disclosure Agreement. Except as provided in the immediately preceding sentence, this Disclosure Agreement shall create no rights in any other person or entity.

**SECTION 11. Reimbursement of the Dissemination Agent.** The provisions of Section 905 of the General Bond Resolution relating to reimbursement of a Fiduciary shall apply to the performance by the Dissemination Agent of its obligations as Dissemination Agent under this Disclosure Agreement.

**SECTION 12. Notices.** All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

(i) If to the Authority:

New Jersey Transportation Trust Fund Authority  
Finance and Administration Building  
1035 Parkway Avenue, P.O. Box 600  
Trenton, New Jersey 08625  
Attn: Executive Director

(ii) If to the Treasurer:

New Jersey Department of the Treasury  
c/o Office of Public Finance  
50 West State Street, 5<sup>th</sup> Floor  
P.O. Box 005  
Trenton, New Jersey 08625  
Attn: Director, Office of Public Finance

(iii) If to the Dissemination Agent:

[TD Bank, National Association  
1006 Astoria Boulevard  
Cherry Hill, New Jersey 08034  
Attn: Corporate Trust Department]

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section 12 for the giving of notice.

**SECTION 13. Successors and Assigns.** All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the Treasurer, the Authority or the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

**SECTION 14. Headings for Convenience Only.** The descriptive headings in this Disclosure 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 15. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 16. Severability.** If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

**SECTION 17. Governing Law and Venue.** This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State. The parties hereto agree that the Authority, the Treasurer or the State may be sued, pursuant to Section 9 hereof, only in a State court in the County of Mercer in the State.

**SECTION 18. Compliance with L. 2005, c. 271.** The Dissemination Agent hereby acknowledges that it has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to N.J.S.A. 19:44A-20.13 (L. 2005, c. 271, section 3) if the Dissemination Agent enters into agreements or contracts, such as this Disclosure Agreement, with a public entity, such as the Authority, and receives compensation or fees in excess of \$50,000 or more in the aggregate from public entities, such as the Authority, in a calendar year. It is the Dissemination Agent's responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at [www.elec.state.nj.us](http://www.elec.state.nj.us).

**SECTION 19. Compliance with L. 2005, c. 92.** In accordance with L. 2005, c. 92, the Dissemination Agent agrees that all services performed under this Disclosure Agreement or

any subcontract awarded under this Disclosure Agreement shall be performed within the United States of America.

[SIGNATURE PAGE TO FOLLOW]

**IN WITNESS WHEREOF**, the parties hereto have caused this Disclosure Agreement to be executed and delivered by their proper and duly authorized officers as of the day and year first above written.

**TREASURER, STATE OF NEW JERSEY**

\_\_\_\_\_  
ANDREW P. SIDAMON-ERISTOFF

**NEW JERSEY TRANSPORTATION  
TRUST FUND AUTHORITY**

By: \_\_\_\_\_  
GARY BRUNE  
Executive Director

**[TD BANK, NATIONAL ASSOCIATION,]  
as Dissemination Agent**

By: \_\_\_\_\_  
[DAVID C. LEONDI  
Vice President]



EXHIBIT A

NOTICE OF FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer: New Jersey Transportation Trust Fund Authority

Name of Bond issues affected: \$\_\_\_\_,000,000 Transportation Program Bonds, 2012 Series AA

Date of Issuance of the affected issues: \_\_\_\_\_, 2012

NOTICE IS HEREBY GIVEN that the Treasurer of the State of New Jersey has not provided a Treasurer's Annual Report with respect to the above-named Bond issue as required by Section 3 of the Continuing Disclosure Agreement dated \_\_\_\_\_, 2012 by and among the Treasurer, the New Jersey Transportation Trust Fund Authority and the Dissemination Agent.

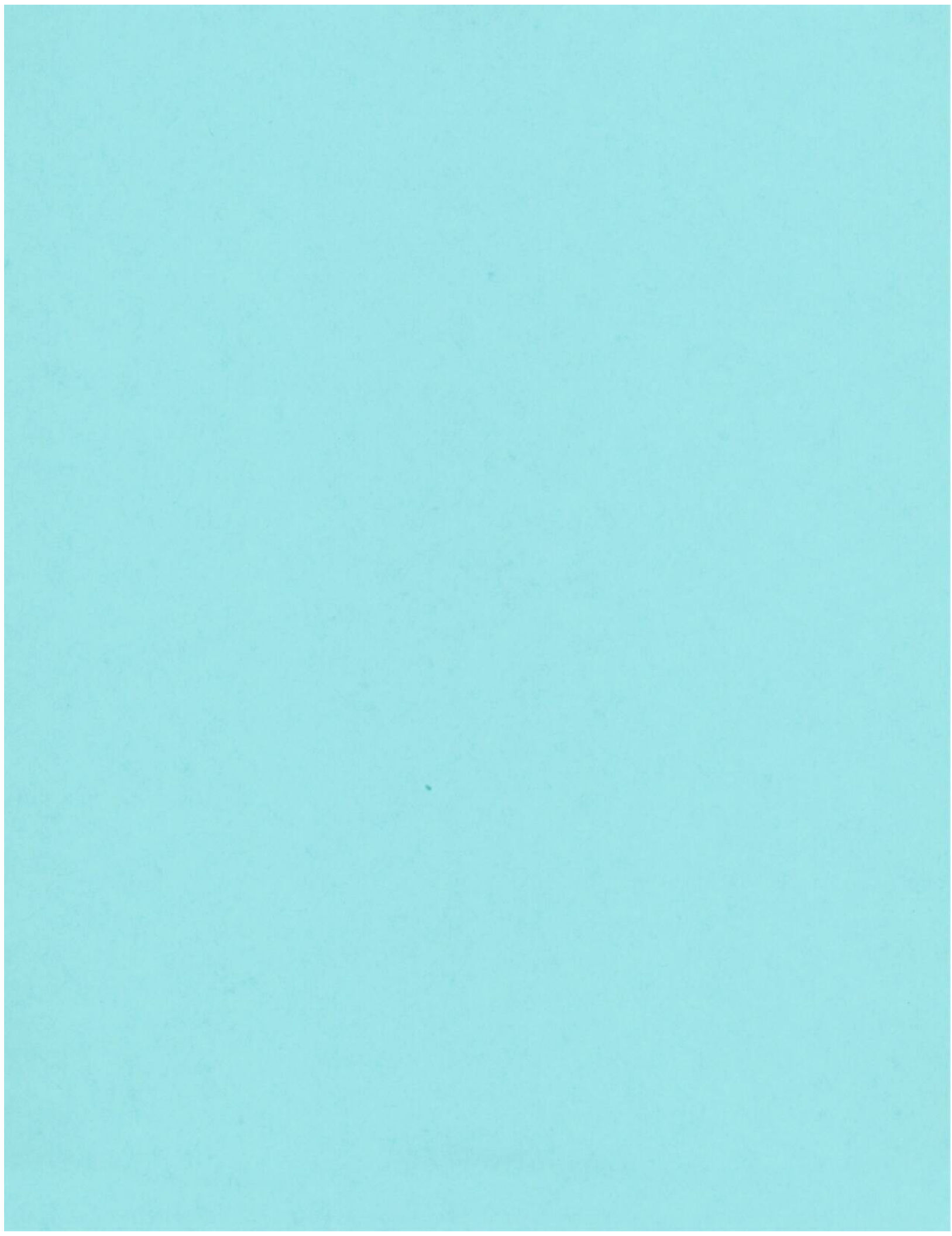
[TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE – The Treasurer anticipates that the specified Treasurer's Annual Report will be filed by \_\_\_\_\_.]

Dated: \_\_\_\_\_

**[TD BANK, NATIONAL ASSOCIATION,]  
as Dissemination Agent**

By: \_\_\_\_\_  
Name:  
Title:

cc: Treasurer  
Authority



McCarter & English, LLP

Draft #7

Dated: October 18, 2012

**CONTRACT IMPLEMENTING FUNDING PROVISIONS OF  
THE NEW JERSEY TRANSPORTATION  
TRUST FUND AUTHORITY ACT WITH RESPECT TO  
TRANSPORTATION PROGRAM BONDS**

**THIS CONTRACT IMPLEMENTING FUNDING PROVISIONS OF THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY ACT WITH RESPECT TO TRANSPORTATION PROGRAM BONDS** (the "Agreement") is made as of November \_\_, 2012, by and among the Treasurer of the State of New Jersey (the "Treasurer"), the Commissioner of the New Jersey Department of Transportation (the "Commissioner"), and the New Jersey Transportation Trust Fund Authority (the "Authority"), a public body corporate and politic of the State of New Jersey (the "State").

**BACKGROUND**

WHEREAS, the Authority was established and exists pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984, L. 1984, c. 73, as amended and supplemented (the "Act"), including by L. 2012, c. 13 (the "2012 Legislation"); and

WHEREAS, the Act provides that there exists an urgent need, for a stable and assured method of financing the planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of New Jersey's transportation system and that, unless additional State funding, is provided immediately for New Jersey's transportation system, the cost of repair and reconstruction will increase geometrically and the economic well-being and safety of users of the State's transportation system will be endangered; and

WHEREAS, in 1984 the Act established an arrangement whereby the State's share of the costs related to the reconstruction and repair of New Jersey's transportation system could be financed; and

WHEREAS, the funding of New Jersey's transportation system has been undertaken previously through the issuance of the Authority's Transportation System Bonds (the "Prior Bonds"), under the Authority's 1995 Transportation System Bond Resolution, as amended and supplemented (the "1995 Bond Resolution"); and

WHEREAS, the 2012 Legislation provides, among other things, for (i) the authorization of the "Transportation Program Bonds," in such amounts for such years as set forth in the 2012 Legislation; (ii) the provision of the payment of debt service on the Transportation Program Bonds only from certain constitutionally dedicated sources; and (iii) changes to the Joint Budget Oversight Committee's review of certain bonding by the Authority; and

WHEREAS, pursuant to the 2012 Legislation, the debt service on the Authority's Transportation Program Bonds will be payable solely from revenues dedicated pursuant to

Article VIII, Section II, paragraph 4 of the Constitution of the State of New Jersey and deposited into the "Transportation Trust Fund Account – Subaccount for Debt Service for Transportation Program Bonds;" and

WHEREAS, such constitutionally dedicated revenues shall consist of (i) a portion of the amount equivalent to the revenue derived from \$0.105 per gallon of the tax imposed on the sale of motor fuels pursuant to chapter 39 of title 54 of the Revised Statutes (the "Motor Fuels Tax"), and (ii) a portion of certain amounts derived from State revenues collected from (a) the tax on the gross receipts of the sale of petroleum products imposed pursuant to L. 1990, c. 42 (C.54:15B-1 et seq.) as amended and supplemented (the "Petroleum Products Tax") and (b) the State tax imposed under the "Sales and Use Tax Act," pursuant to L. 1966, c. 30 (C.54:32B-1 et seq.) as amended and supplemented (the "Sales and Use Tax"), all of which are subject and subordinate to certain appropriations and uses of the revenues as set forth in the State Constitution; and

WHEREAS, pursuant to the 2012 Legislation, the debt service on the Authority's Transportation Program Bonds is payable from the following statutorily dedicated sources as set forth in N.J.S.A. 27:1B-20, as amended by the 2012 Legislation, which sources are also constitutionally dedicated: a portion of an amount equivalent to the revenue derived from (i) \$0.105 per gallon from the Motor Fuels Tax; (ii) the Petroleum Products Tax; and (iii) the tax imposed under the "Sales and Use Tax Act," L. 1966, c. 30 (C. 54:32B-1 et seq.) on the sale of new motor vehicles (the "Sales and Use Tax on the Sale of New Motor Vehicles"); and

WHEREAS, in order to implement the financing arrangement provided for in the 2012 Legislation with respect to the Transportation Program Bonds, the Treasurer, the Commissioner and the Authority have been authorized by Section 23 of the Act, as amended by the 2012 Legislation, to enter into one or more contracts; and

WHEREAS, pursuant to the authority so granted in Section 23 of the Act, as amended by the 2012 Legislation, the Treasurer, the Commissioner and the Authority will enter into this Agreement in order to implement the financing arrangements provided for in the Act, as amended by the 2012 Legislation, with respect to the Transportation Program Bonds, and to secure financial obligations of the Authority to be incurred thereafter with respect to the Transportation Program Bonds; and

WHEREAS, the Authority has duly authorized its Chairperson, Vice Chairperson or Executive Director by the 2012 Transportation Program Bond Resolution adopted on October 26, 2012 (the "Transportation Program Bond Resolution") to enter into and execute this Agreement.

NOW, THEREFORE, in consideration of the promises, mutual covenants and agreements herein set forth and the undertakings of each party to the others, the Treasurer, the Commissioner and the Authority do hereby promise, covenant and agree as follows:

## ARTICLE I

### ARTICLE I DEFINITIONS

#### 1.1. Definitions.

As used and referred to in this Agreement, and unless a different meaning clearly appears from the context:

“Act” shall mean the New Jersey Transportation Trust Fund Authority Act of 1984, L. 1984, c. 73 as from time to time amended and supplemented, including, but not limited to, by the 2012 Legislation.

“Authority” shall mean the New Jersey Transportation Trust Fund Authority, a public body corporate and politic established pursuant to the Act.

“Bond Resolution” means any resolution, indenture, agreement, or other instrument adopted or entered into by the Authority which provides security for the payment of the Transportation Program Bonds, notes or other obligations related to such Transportation Program Bonds, including, but not limited to the Transportation Program Bond Resolution, as amended and supplemented.

“Commissioner” shall mean the Commissioner of the New Jersey Department of Transportation.

“Department” shall mean the New Jersey Department of Transportation.

“Fiscal Year” shall mean the twelve month period ending on June 30 of each year.

“Special Transportation Fund” shall mean the separate State fund established by Section 21 of the Act.

“Transportation Trust Fund Account” shall mean the account in the General Fund of the State established by Section 20 the Act.

“Transportation Trust Fund Subaccount” shall mean the subaccount in the Transportation Trust Fund Account entitled “Subaccount for Debt Service for Transportation Program Bonds” established by Section 20 the Act.

“Treasurer” shall mean the Treasurer of the State of New Jersey.

## ARTICLE II

### TRANSPORTATION TRUST FUND SUBACCOUNT

2.1. (a) During each Fiscal Year commencing on or after the effective date hereof in which the Authority has Transportation Program Bonds, notes or other obligations issued under the Transportation Program Bond Resolution or any agreements securing such Transportation

Program Bonds, notes or other obligations outstanding, the Treasurer shall credit to the Transportation Trust Fund Subaccount a portion of an amount equivalent to the revenue derived from \$0.105 per gallon from the Motor Fuels Tax.

(b) The Treasurer shall, in addition to the foregoing, credit to the Transportation Trust Fund Subaccount for the Fiscal Year beginning July 1, 2012 and each Fiscal Year thereafter, (i) a portion of an amount equivalent to the revenue derived from the Petroleum Products Tax, provided that the amount credited to the Transportation Trust Fund Account shall not be less than \$200,000,000; and (ii) a portion of an amount equivalent to the revenue derived from the Sales and Use Tax on the Sale of New Motor Vehicles, provided that the amount credited to the Transportation Trust Fund Account shall not be less than \$200,000,000.

(c) In addition to all other amounts to be credited to the Transportation Trust Fund Subaccount as provided in this Section 2.1, there shall be credited to the Transportation Trust Fund Subaccount in each Fiscal Year any additional amounts from the Sales and Use Tax necessary to secure and provide for the payment of the Transportation Program Bonds, notes or other obligations issued under the Bond Resolution.

2.2. (a) Not later than the fifth business day of the month following the month in which a credit has been made pursuant to the foregoing section, the Treasurer shall pay the Authority for its purposes as provided in the Act, the amount then credited to the Transportation Trust Fund Subaccount.

(b) All payments to the Authority shall be subject to and dependent upon appropriations being made from time to time by the Legislature for the purposes of the Act.

(c) Notwithstanding anything contained herein to the contrary, all revenues deposited in the Transportation Trust Fund Subaccount shall consist solely of revenues which are dedicated pursuant to the New Jersey Constitution, including Article VIII, Section 11, paragraph 4 and subsections (a) and (d) of Section 20 of the Act.

2.3. Unless the Legislature otherwise provides, in the event that appropriations with respect to any Fiscal Year have not been made by July 1 of said Fiscal Year, the initial credit of any amounts to be credited hereunder shall be in an amount equal to that which would have been credited to the Transportation Trust Fund Subaccount if the appropriations had been made by said July 1.

### **ARTICLE III**

#### **SPECIAL TRANSPORTATION FUND**

3.1. The Treasurer shall maintain the Special Transportation Fund in accordance with the Act.

3.2. Subject to the rights and security interests of holders from time to time of such Transportation Program Bonds, notes or other obligations relating to such Transportation Program Bonds as the Authority may hereafter issue and other secured parties under the Transportation Program Bond Resolution, the Authority agrees to transfer to the Special

Transportation Fund from its available funds or revenues such amounts as may be appropriated by law to fund designated categorical or specific projects of the Department of Transportation.

3.3. The Commissioner may from time to time, but not more frequently than monthly, certify to the Authority an amount necessary to fund payments made, or anticipated to be made, by or on behalf of the Department from appropriations established for or made to the Department from revenues or other funds of the Authority. The Commissioner's certification shall be deemed conclusive for the purposes of this Section.

3.4. Within 15 days of receipt of the Commissioner's certification, the Authority shall transfer the amount so certified from the available funds of the Authority to the Treasurer for deposit in the Special Transportation Fund. Such transfers shall be subject to the provisions of the Transportation Program Bond Resolution in effect at the time of the transfer.

3.5. All funds transferred to the Special Transportation Fund in accordance with the preceding Section shall only be expended by the Department pursuant to such appropriations or authorizations as may be made from time to time by the Legislature for the purposes of the Act.

#### **ARTICLE IV**

##### **PLEDGE OF AGREEMENT**

4.1. The parties hereto acknowledge that the Authority will pledge this Agreement as security for the payment of its Transportation Program Bonds, notes or other obligations issued under the Transportation Program Bond Resolution or any agreements securing such Transportation Program Bonds, notes or other obligations in accordance with the Act, as amended by the 2012 Legislation, and will covenant with the holders of such Transportation Program Bonds, notes or other obligations to enforce the provisions of this Agreement.

#### **ARTICLE V**

##### **SUBJECT TO APPROPRIATION**

5.1. It is expressly understood by the parties that the incurrence of any obligation by the State under this Agreement, including any payments to be made hereunder from the Transportation Trust Fund Subaccount or the Special Transportation Fund, shall be subject to and dependent upon appropriations being made from time to time by the Legislature for the purposes of the Act.

#### **ARTICLE VI**

##### **SEVERABILITY OF INVALID PROVISIONS**

6.1. If any one or more of the covenants or agreements provided in this Agreement to be performed on the part of the Treasurer, the Commissioner or the Authority should be deemed contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining agreements and covenants and shall in no way affect the validity of the other provisions of this Agreement.

**ARTICLE VII**

**GOVERNING LAW**

7.1. This Agreement shall be construed and governed in accordance with the laws of the State of New Jersey.

**ARTICLE VIII**

**HEADINGS**

8.1. Headings preceding the texts of the several Articles hereof are solely for the convenience of reference and shall not constitute a part of this Agreement or affect its meaning, construction or effect.

**ARTICLE IX**

**EXECUTION IN COUNTERPARTS**

9.1. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

**ARTICLE X**

**AMENDMENTS AND SUPPLEMENTS**

10.1. This Agreement may be amended or supplemented from time to time when necessary or desirable to further implement the provisions of the Act; provided that no amendment or supplement to this Agreement shall adversely affect the interests of the holders of the Authority's Transportation Program Bonds, notes or other obligations secured by this Agreement.

**ARTICLE XI**

**EFFECTIVE DATE AND TERMINATION**

11.1. This Agreement shall become effective as of \_\_\_\_\_, 2012.

11.2. This Agreement shall terminate when the Authority shall have paid or made provision for payment of all of its Transportation Program Bonds, notes or other obligations secured by this Agreement.



IN WITNESS WHEREOF, the parties have themselves executed and or have done so by their officers thereunto duly the date and year first written above.

TREASURER, STATE OF NEW JERSEY

By: \_\_\_\_\_

COMMISSIONER, NEW JERSEY  
DEPARTMENT OF TRANSPORTATION

By: \_\_\_\_\_

NEW JERSEY TRANSPORTATION  
TRUST FUND AUTHORITY

By: \_\_\_\_\_

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

Yeas: 6

Nays: 0

As the next order of business, Deputy Commissioner Joseph Mrozek requested Gary Brune to lead a discussion pertaining to the approval of Costs of Issuance for Transportation System Bonds, 2012 Series Authorized Pursuant to the Twenty-Eighth Supplemental Resolution and for Transportation Program Bonds, 2012 Series Authorized Pursuant to Transportation Program Bond Resolution and First Supplemental Resolution.

Gary Brune pointed out that this resolution authorizes the payment of cost of issuance expenses for both the Transportation System Bonds, 2012 Series and the new Transportation Program Bonds, 2012 Series. As noted in Exhibit A in the materials provided to the TTFA board members, the cost is estimated at approximately \$1.2 million, with trustee-related costs to be determined upon selection of the bond trustee. Also, the resolution authorizes the Executive Director to pay expenses that exceed the \$1.2 million estimate if he considers them to be reasonable.

Robert Briant inquired as to the need to involve all three rating agencies, incurring issuance costs for each. Steve Petrecca responded that it was advisable to continue that approach given that the Transportation Program Bonds are a new product that have not been marketed previously.

Deputy Commissioner Joseph Mrozek asked if there were any further discussion and then requested a motion to adopt the resolution entitled, "Resolution Authorizing The Payment of Costs of Issuance in Connection With The Sale of the New Jersey Transportation Trust Fund Authority's Transportation System Bonds, 2012 Series A Bonds to Be Issues Under The Twenty-Eighth Supplemental Transportation System Bond Resolution And The New Jersey Transportation Trust Fund Authority's Transportation Program Bonds, 2012 Series AA Bonds To Be Issued Under The 2012 Transportation Program Bond Resolution And First Supplemental Transportation Program Bond Resolution".

Mr. Ferreira moved the following resolution:

**RESOLUTION AUTHORIZING THE PAYMENT OF COSTS OF ISSUANCE IN CONNECTION WITH  
THE SALE OF THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY'S  
TRANSPORTATION SYSTEM BONDS, 2012 SERIES A BONDS TO BE ISSUED UNDER THE  
TWENTY-EIGHTH SUPPLEMENTAL TRANSPORTATION SYSTEM BOND RESOLUTION  
AND THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY'S  
TRANSPORTATION PROGRAM BONDS, 2012 SERIES AABONDS TO BE ISSUED UNDER THE  
2012 TRANSPORTATION PROGRAM BOND RESOLUTION AND FIRSTSUPPLEMENTAL  
TRANSPORTATION PROGRAM BOND 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 October 26, 2012 to authorize the issuance of its Transportation System Bonds, 2012 Series A in one or more Series of fixed rate bonds in an aggregate principal amount not to exceed \$326,255,000 (collectively the "2012 Series A Bonds") for the purpose of financing State transportation system costs pursuant to the Twenty-Eighth Supplemental Transportation System Bond Resolution (the "Twenty-Eighth Supplemental Resolution"); and

**WHEREAS**, pursuant to the authorization in the Twenty-Eighth Supplemental Resolution, the Authority intends to issue the 2012 Series A Bonds in an aggregate principal amount not to exceed \$326,255,000; and

**WHEREAS**, the Authority determined at its meeting on October 26, 2012 to authorize the issuance of its Transportation Program Bonds, 2012 Series AA in one or more Series of fixed rate bonds in an aggregate principal amount not to exceed \$921,000,000 (collectively the "2012 Series AA Bonds" and together with the 2012 Series A Bonds, the "Bonds" ) for the purpose of financing State transportation system costs pursuant to the 2012 Transportation Program Bond Resolution (the "Transportation Program Bond Resolution") and the First Supplemental Transportation Program Bond Resolution (the "First Supplemental Resolution"); and

**WHEREAS**, pursuant to the authorization in the Transportation Program Bond Resolution and the First Supplemental Resolution, the Authority intends to issue the 2012 Series AA Bonds in an aggregate principal amount not to exceed \$921,000,000; and

**WHEREAS**, in connection with the issuance of the Bonds, it will be necessary for the Authority to incur various costs of issuance ("Costs of Issuance") as described in Exhibit "A" attached hereto; 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 hereto are hereby approved for payment upon the issuance of the Bonds.
2. If the amount of a Cost of Issuance exceeds the estimated amount on Exhibit "A", the Executive Director may pay the additional amount of such Cost of Issuance, if he determines that the amount of such expense is reasonable and proper and/or customary under the circumstances. Similarly, if the Cost of Issuance is identified as an amount to be determined, the Executive Director may pay such expense if he determines that the amount of such expense is reasonable and proper and/or customary under the circumstances.
3. 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"

**TRANSPORTATION SYSTEM BONDS, 2012 SERIES A**  
**(To Be Issued Pursuant to the 28<sup>th</sup> Supplemental Resolution)**  
**And**  
**TRANSPORTATION PROGRAM BONDS, 2012 SERIES AA**  
**(To Be Issued Pursuant to the Transportation Program Bond Resolution and the First Supplemental Resolution)**

EXPENSE	PAYEE	ESTIMATED FEES
Bond Counsel*	McCarter & English LLC (excluding expenses)	\$ 120,000
Printer	RR Donnelly	50,000
Rating Agency	Standard & Poor's	250,000
Rating Agency	Moody's Investor's Service	250,000
Rating Agency	Fitch Ratings	250,000
Trustee**	TBD	To be determined by competitive RFP process; most advantageous to Authority price and other factors considered
Trustee's Counsel	TBD	15,000
Structuring Fee***	Office of Public Finance	250,000
<b>TOTAL:</b>		<b>\$1,185,000</b>

\*Note that the Bond Counsel Fee is subject to approval by the Attorney General's Office.

\*\*Note that the Trustee's fee will be determined based upon a competitive RFP process and cannot be estimated at this time.

\*\*\* Structuring Fee includes: reimbursement to the Department of the Treasury for use of Treasury staff time and resources; reimbursement for Attorney General's Office staff time and resources; publication costs; and other miscellaneous costs related to the sale, issuance, and ongoing support of the 2012 Series A Bonds and the 2012 Series AA Bonds.

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

Yeas: 6

Nays: 0

Deputy Commissioner Joseph Mrozek stated as the next order of business the appointment of two members to the NJTTFA Evaluation Committee. The role of the Evaluation Committee is to solicit and evaluate proposals for an independent auditor for the Authority. Since the contract with the existing auditor expires once the fiscal year 2012 audit is produced, a new contract must be arranged. The Evaluation Committee will issue a request for proposals, and after assessing the responses will provide its recommendation in a written report that will be forwarded to the Authority's audit Committee. Joseph Mrozek requested two nominations to the Evaluation Committee and asked the board to vote on each of the nominations in turn.

Board member Steven Petrecca nominated Gregory Lalevee and Nelson Ferreira to serve on the Evaluation Committee.

After nominations, Deputy Commissioner Joseph Mrozek requested a motion that Gregory Lalevee be appointed to serve on the Evaluation Committee.

Mr. Briant moved the Gregory Lalevee's nomination to serve on the Evaluation Committee. Mr. Petrecca seconded the motion and Mr. Lalevee was appointed on a call of roll as follows:

Yeas: 6

Nays: 0

Deputy Commissioner Joseph Mrozek then requested a motion that Nelson Ferreira be appointed to serve on the Evaluation Committee.

Mr. Briant moved Nelson Ferreira's nomination to serve on the Evaluation Committee. Mr. Petrecca seconded the motion and Mr. Ferreira was appointed on a call of roll as follows:

Yeas: 6

Nays: 0

**RESOLUTION APPOINTING MEMBERS TO THE EVALUATION COMMITTEE**

**WHEREAS**, the New Jersey Transportation Trust Fund Authority (the "Authority") was established pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984, as amended, N.J.S.A. 27:1B-1 et seq., ("Act"); and

**WHEREAS**, pursuant to Section 17 of the New Jersey Transportation Trust Fund Authority Act of 1984, as amended (the "Act"), N.J.S.A. 27:1B-1 et seq., the Authority is required to conduct an annual audit of its affairs and deliver a written report with respect to such audit to the Legislature and the Governor; and

**WHEREAS**, the Authority requires the services of a professional accounting firm with respect to the preparation of such audit:

**WHEREAS**, the current contract with Mercadien, P.C. for auditing services terminates with completion of the Fiscal Year 2012 audit currently in process; and

**WHEREAS**, the Authority seeks to engage a qualified professional accounting firm to audit its financial statements for Fiscal Year 2013 with the option to perform the audits for Fiscal Year 2014 and Fiscal Year 2015; and

**WHEREAS**, on July 23, 2004, Governor McGreevey issued Executive Order No. 122 which requires the governing body of a State authority to establish an Evaluation Committee and sets forth certain duties and obligations of the Evaluation Committee; and



**WHEREAS**, the Authority amended its By-laws to establish an Evaluation Committee in compliance with E.O.122 (McGreevey 2004); and

**WHEREAS**, there are currently vacancies on the Evaluation Committee; and

**WHEREAS**, the Authority desires to appoint individuals to serve on the Evaluation Committee in compliance with the requirements of E.O. 122 (McGreevey 2004), two of whom shall be members of the Board;

**NOW, THEREFORE, BE IT RESOLVED** that:

1. The Authority hereby appoints the following three individuals to serve on the Evaluation Committee in accordance with Article VI of the By-laws who shall serve until such time as their successors are appointed. The individuals are:
  - 1) Gregory Laveve
  - 2) Nelson Ferreira
2. The Evaluation Committee will publish a Request for Proposal for Audited Financial Statements, evaluate the responses, and provide recommendations to the Audit Committee by January 1, 2013.
3. This Resolution shall take effect upon adoption in accordance with the Act.

Next, Deputy Commissioner Joseph Mrozek requested Gary Brune to lead a discussion pertaining to the acceptance of the Fiscal Year 2012 Audit.

Gary Brune stated that the FY12 TTFA Audit was recently approved by the Authority's Audit Committee and he highlighted the fact the net assets, defined as the difference between assets and liabilities, increased by \$326 million from fiscal year 2011 to fiscal year 2012, a positive sign for the Authority's fiscal health. If the Authority approves, the next step is to

forward the audit to the Department of Treasury for inclusion in the State's Comprehensive Annual Financial Report.

Assistant State Treasurer Petrecca added that the TTFA staff are to be commended for helping to prepare such a fine audit.

Deputy Commissioner Joseph Mrozek asked if there were any further discussion and then requested a motion to adopt the resolution entitled, "Resolution Authorizing The Acceptance of The Audit Report For The New Jersey Transportation Trust Fund Authority".

Mr. Petrecca moved the following resolution:

**RESOLUTION AUTHORIZING THE ACCEPTANCE OF THE AUDIT REPORT  
FOR THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**

**WHEREAS**, pursuant to Section 17 of the New Jersey Transportation Trust Fund Authority Act 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 required to conduct an annual audit of its affairs and deliver a written report with respect to such audit of its affairs and deliver a written report with respect to such audit to the Legislature and the Governor; and

**WHEREAS**, the Authority requires the services of a professional accounting firm with respect to the preparation of such audit; and

**WHEREAS**, the Authority selected the firm of Mercadien, P.C. ("Mercadien") to perform the audit of the Authority for Fiscal Year 2012; and

**WHEREAS**, Mercadien has prepared the audit for Fiscal Year 2012, a copy of which is attached to this Resolution as Exhibit "A";

**WHEREAS**, the Authority's Audit Committee has reviewed the audit report for Fiscal Year 2012 and recommended its adoption by the Authority;

**NOW, THEREFORE, BE IT RESOLVED**, that

1. The Authority hereby accepts the audit report of Mercadien attached hereto as Exhibit "A".

2. This Resolution shall take effect upon adoption in accordance with the Act.

**“Exhibit A”**

**NEW JERSEY TRANSPORTATION  
TRUST FUND AUTHORITY**  
(A Component Unit of the State of New Jersey)

Financial Statements and  
Supplementary Information

June 30, 2012

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

(A Component Unit of the State of New Jersey)

Table of Contents  
June 30, 2012

	<u>Page Number</u>
INDEPENDENT AUDITORS' REPORT.....	1-2
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....	3-4
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	5-8
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUNDS BALANCE SHEET.....	9
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE.....	10
NOTES TO BASIC FINANCIAL STATEMENTS.....	11-19
SUPPLEMENTARY INFORMATION	
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS.....	20

## INDEPENDENT AUDITORS' REPORT

To the Honorable Chairperson and Members of  
New Jersey Transportation Trust Fund Authority  
A Component Unit of the State of New Jersey

We have audited the accompanying basic financial statements of the governmental activities, each fund, and the aggregate remaining fund information of New Jersey Transportation Trust Fund Authority (the "Authority"), a component unit of the State of New Jersey, as of and for the year ended June 30, 2012, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, and each fund, of the Authority as of June 30, 2012, and the changes in the financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2012, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5-8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of cash receipts and disbursements on page 20 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements by us or other auditors, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of Authority members, the finance committee, management, others within the Authority, and the State of New Jersey and is not intended to be and should not be used by anyone other than those specified parties.

*W. J. McEachern, P.C.*  
*Certified Public Accountants*

October 19, 2012

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Chairperson and Members of  
New Jersey Transportation Trust Fund Authority  
A Component Unit of the State of New Jersey

We have audited the accompanying financial statements of the New Jersey Transportation Trust Fund Authority (the "Authority"), a component unit of the State of New Jersey, as of and for the year ended June 30, 2012, and have issued our report thereon dated October 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected or corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (CONTINUED)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Authority in a separate letter dated October 19, 2012.

This report is intended solely for the information and use of Authority members, the finance committee, management, others within the Authority, and the State of New Jersey and is not intended to be and should not be used by anyone other than those specified parties.

*Frederick P. C.*  
*Certified Public Accountant*

October 19, 2012

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**  
(A Component Unit of the State of New Jersey)

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Management's Discussion and Analysis**

As financial management of the New Jersey Transportation Trust Fund Authority (the "Authority"), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Authority as of and for the year ended June 30, 2012. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

**Financial Highlights**

The Authority disbursed \$1,169,498,617 to the Special Transportation Fund of the State of New Jersey to fund statewide transportation system improvements during the fiscal year, as compared to \$1,531,052,425 the prior year, a decrease of 24%. The term "net assets" refers to the difference between assets and liabilities. At the close of fiscal year 2012, the Authority had net assets of \$152,653,628, as compared to a net deficit of \$173,353,748 at June 30, 2011. This increase in net assets was mainly due to decreases in statewide transportation system improvements and an increase in state appropriated taxes and toll road revenue during the fiscal year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements, which are comprised of the basic financial statements and the notes to the financial statements. The Authority is a single program government that combines government-wide and governmental fund financial statements. This report also contains required supplementary information concerning the Authority's cash flow for the fiscal year.

**Basic Financial Statements**

The basic financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to that which would be used by a private-sector business.

The statement of net assets and governmental funds balance sheet presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as useful indicators of whether the financial position of the Authority is improving or deteriorating. Net assets increase when revenues exceed expenses. Increases to assets without corresponding increases to liabilities results in increased net assets, which indicate an improved financial position. The Authority's position improved by \$326,007,376 in the year ended June 30, 2012.

The statement of activities and governmental funds revenues, expenditures and changes in fund balance presents information showing how a government's net deficit changed during the fiscal year. All changes in net deficit are reported as the underlying event occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**  
(A Component Unit of the State of New Jersey)

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the Authority's flow of cash for the fiscal year.

**Financial Analysis**

Net assets (deficit) may serve, over time, as a useful indicator of the Authority's financial position. In the case of the Authority, assets exceeded liabilities by \$152,653,628 at the close of the most recent fiscal year.

The largest portion of the Authority's net assets reflects its investments in current assets (*e.g., accounts receivable, cash and cash equivalents and investments*) less any related bonds outstanding and accounts payable. The Authority's current assets are restricted in use for payment of state transportation costs and bond issues outstanding.

	Years Ended			Percentage
	June 30, 2012	June 30, 2011	June 30, 2010	Change 2012-2011
Accounts receivable	\$ 14,114,275,200	\$ 12,924,816,045	\$ 11,514,907,881	9
Cash and equivalents	428,932,759	244,859,631	249,060,953	75
Investments	-	42,728	59,012	(100)
Deferred loss on refunding on bonds	9,467,602	8,756,115	9,759,287	8
Unamortized bond discount	19,708,191	20,443,307	21,737,978	(4)
Unamortized bond issuance cost	105,737,744	107,393,042	107,472,875	(2)
Total Assets	<u>14,678,121,496</u>	<u>13,306,310,868</u>	<u>11,902,997,986</u>	10
Accrued interest payable	25,147,922	23,819,811	20,613,249	6
Accounts payable - State of New Jersey	106,984,448	213,485,882	384,396,398	(50)
Accounts payable - other	147,000	109,193	181,574	35
Bonds payable:				
Due within one year	360,030,000	310,110,000	314,285,000	16
Due after one year	13,653,175,615	12,571,168,986	11,167,122,881	9
Unamortized bond premium	379,982,883	360,970,744	383,543,295	5
Total Liabilities	<u>14,525,467,868</u>	<u>13,479,664,616</u>	<u>12,270,142,397</u>	8
Net Assets (Deficit) Restricted for:				
Debt Service	232,106	274,729	290,549	(16)
Deferred Charges	(270,217,268)	(248,198,091)	(265,186,404)	9
Payment of state transportation system cost	422,638,790	74,569,614	(102,248,556)	467
Net Assets (Deficit)	<u>\$ 152,653,628</u>	<u>\$ (173,353,748)</u>	<u>\$ (367,144,411)</u>	188

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**  
(A Component Unit of the State of New Jersey)

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

	<u>Years Ended</u>			<u>Percentage Change 2012-2011</u>
	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>	
<b>Revenues</b>				
State appropriations				
Motor fuel taxes	\$ 522,167,000	\$ 483,000,000	\$ 483,000,000	8
Commercial vehicle fees and taxes	422,500,000	400,000,000	400,000,000	6
Toll road authority	78,000,000	12,000,000	12,000,000	550
Interest income and investment return	454,024	1,055,820	1,916,436	(57)
Amortization of bond premium and discount	<u>43,852,659</u>	<u>40,054,655</u>	<u>33,142,068</u>	9
Total Revenues	<u>1,066,973,683</u>	<u>936,110,475</u>	<u>930,058,504</u>	14
<b>Expenses</b>				
Operating expenses and financial costs	1,359,831	4,825,663	48,264	(72)
State transportation costs	1,169,498,617	1,531,052,425	1,725,395,510	(24)
<b>Debt Service</b>				
Bond interest expense, including amortization of bond issuance costs	622,035,531	526,724,927	500,782,283	18
Bond interest expense, capital appreciation bonds	<u>127,036,629</u>	<u>120,251,087</u>	<u>101,612,225</u>	6
Total Operating Expenses	<u>1,919,930,608</u>	<u>2,182,854,102</u>	<u>2,327,838,282</u>	(13)
Deficiencies of revenues over expenses	(852,956,925)	(1,246,743,627)	(1,397,779,778)	(34)
<b>Other financing sources</b>				
Garvee bond debt service reimbursement	3,192,409	4,802,000	5,281,000	(147)
Build America Bond Credits	<u>38,722,469</u>	<u>31,491,600</u>	<u>11,616,420</u>	23
Total other financing sources	<u>41,914,878</u>	<u>36,293,600</u>	<u>16,897,420</u>	1
Change in Net Deficit	(811,042,047)	(1,210,450,027)	(1,380,882,358)	(33)
Net Assets (Deficit), Beginning of Year	(173,353,748)	(367,144,411)	26,962,361	(53)
Current year bond activity, net	<u>1,137,049,423</u>	<u>1,404,240,690</u>	<u>986,775,586</u>	(19)
Net Assets (Deficit), End of Year	<u>\$ 152,653,628</u>	<u>\$ (173,353,748)</u>	<u>\$ (367,144,411)</u>	188

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**  
(A Component Unit of the State of New Jersey)

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**Significant and Subsequent Events**

As of June 30, 2012, the Authority had \$14,013,205,615 in bonds outstanding, net of unamortized bond accretions, as compared to \$12,881,278,986 in the prior fiscal year, an increase of 9%. There was new debt incurred by the Authority in the amount of \$1,315,000,000 during fiscal year 2012. A total of \$310,110,000 in bond principal was retired by the annual debt service payments during the fiscal year.

The 2003 Series B Bonds (Periodic Auction Reset Securities) were re-marketed as fixed rate bonds in September 2008, with principal repayments set to begin December 15, 2016 and ending December 15, 2019. Amid favorable market conditions the existing Swap Agreements were terminated in December 2011 without additional fees or penalty, resulting in interest savings of \$6,222,725.

The Authority has issued no bonds nor entered into any credit agreements subsequent to the close of fiscal year June 30, 2012.

The following information summarizes the changes in debt between the fiscal year 2012, 2011 and 2010:

	Years Ended			Percentage Change 2012-2011
	June 30, 2012	June 30, 2011	June 30, 2010	
Bonds Payable	\$14,013,205,615	\$12,881,278,986	\$11,481,407,881	9

More detailed information about the Authority's bonds payable is presented in Note D of the financial statements.

The prior re-authorization of the Authority expired on June 30, 2011. Assembly Bill A-3205 granted legislative approval to support the State's Capital Transportation Program for Fiscal Years 2013 through 2016, authorizing the Authority to bond a total of \$3,458.3 million for fiscal years 2013 to 2016. For fiscal year 2012, the Authority had available, but did not utilize, \$326.6 million of its remaining authorizations from the previous act. It is anticipated that the remaining authorization will be utilized as part of the fiscal year 2013 planned debt issuance.

**Contacting the Authority's Financial Management**

This financial report is designed to provide the New Jersey citizens, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability to the State of New Jersey and bondholders. If you have questions about this report or need additional financial information, you can contact the New Jersey Transportation Trust Fund Authority at 1035 Parkway Avenue, P.O. Box 600, Trenton, NJ 08625-0600 or visit its website at [www.state.nj.us/ttfa](http://www.state.nj.us/ttfa).

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**  
(A Component Unit of the State of New Jersey)

**STATEMENT OF NET ASSETS AND GOVERNMENTAL FUNDS BALANCE SHEET**  
June 30, 2012

	Special Revenue Fund	Other Funds (DSE)	Governmental Funds	Total Governmental Funds	Adjustments (Note G)	Statement of Net Assets
<b>ASSETS</b>						
Accounts receivable - State of New Jersey	\$ 101,069,585	\$ -	\$ 101,069,585	\$ 101,069,585	\$ 14,013,205,615	\$ 14,114,275,200
Cash and equivalents	428,700,653	232,106	428,932,759	428,932,759	-	428,932,759
Deferred loss on refunding of bonds	-	-	-	-	9,467,602	9,467,602
Unamortized bond discount	-	-	-	-	19,708,191	19,708,191
Unamortized bond issuance costs	-	-	-	-	105,737,744	105,737,744
<b>Total Assets</b>	<b>\$ 529,770,238</b>	<b>\$ 232,106</b>	<b>\$ 530,002,344</b>	<b>\$ 530,002,344</b>	<b>\$ 14,148,119,152</b>	<b>\$ 14,678,121,496</b>
<b>LIABILITIES</b>						
Accrued interest payable	\$ -	\$ -	\$ -	\$ -	\$ 25,147,922	\$ 25,147,922
Accounts payable - State of New Jersey	106,984,448	-	106,984,448	106,984,448	-	106,984,448
Accounts payable - other	147,000	-	147,000	147,000	-	147,000
Transportation system bonds payable	-	-	-	-	360,030,000	360,030,000
Due within one year	-	-	-	-	13,653,175,615	13,653,175,615
Due after one year	-	-	-	-	379,982,883	379,982,883
Unamortized bond premium	-	-	-	-	14,418,336,420	14,525,467,868
<b>Total Liabilities</b>	<b>107,131,448</b>	<b>-</b>	<b>107,131,448</b>	<b>107,131,448</b>	<b>-</b>	<b>14,525,467,868</b>
<b>FUND BALANCES/NET ASSETS (DEFICIT)</b>						
Restricted for						
Debt Service	-	232,106	232,106	232,106	-	232,106
Deferred Charges	-	-	-	-	(270,217,268)	(270,217,268)
Payment of state transportation system cost	422,638,790	-	422,638,790	422,638,790	-	422,638,790
<b>Total Fund Balances/Net Assets (Deficit)</b>	<b>422,638,790</b>	<b>232,106</b>	<b>422,870,896</b>	<b>422,870,896</b>	<b>(270,217,268)</b>	<b>152,653,628</b>
<b>Total Liabilities and Fund Balances/Net Assets (Deficit)</b>	<b>\$ 529,770,238</b>	<b>\$ 232,106</b>	<b>\$ 530,002,344</b>	<b>\$ 530,002,344</b>	<b>\$ 14,148,119,152</b>	<b>\$ 14,678,121,496</b>

See notes to financial statements.

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**  
(A Component Unit of the State of New Jersey)

**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

June 30, 2012

	Special Revenue Fund	Other Funds (DSF)	Total Governmental Funds	Adjustments (Note G)	Statement of Activities
<b>REVENUES</b>					
State appropriations equivalent to:					
Motor fuel taxes	\$ 522,167,000	-	\$ 522,167,000	-	\$ 522,167,000
Commercial vehicle fees and taxes	422,500,000	-	422,500,000	-	422,500,000
Toll Road Authority	78,000,000	-	78,000,000	-	78,000,000
Interest income and investment return	229,616	224,408	454,024	-	454,024
Amortization of bond premium and discount	-	-	-	43,852,659	43,852,659
Total revenues	<u>1,022,896,616</u>	<u>224,408</u>	<u>1,023,121,024</u>	<u>43,852,659</u>	<u>1,066,973,683</u>
<b>EXPENDITURES</b>					
Operating expenses and financial costs	64,723	1,295,108	1,359,831	-	1,359,831
State transportation costs	1,169,498,617	-	1,169,498,617	-	1,169,498,617
Debt Service					
Principal	-	310,110,000	310,110,000	(310,110,000)	-
Bond interest expense, including amortization of bond issuance costs	-	602,025,575	602,025,575	20,009,956	622,035,531
Bond interest expense, capital appreciation bonds	-	-	-	127,036,629	127,036,629
Total expenditures	<u>1,169,563,340</u>	<u>913,430,683</u>	<u>2,082,994,023</u>	<u>(163,063,415)</u>	<u>1,919,930,608</u>
Deficiency of revenues over expenses	<u>(146,666,724)</u>	<u>(913,206,275)</u>	<u>(1,059,872,999)</u>	<u>206,916,074</u>	<u>(852,956,925)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Bonds issued	1,315,000,000	-	1,315,000,000	(1,315,000,000)	-
Bond premium	51,941,986	-	51,941,986	(51,941,986)	-
Garvee bond debt service reimbursement	5,791,386	2,523,816	8,315,202	(5,122,793)	3,192,409
Transfers - internal activities	(871,917,367)	871,917,367	-	-	-
Build America Bond Credits	-	38,722,469	38,722,469	-	38,722,469
Cost of issuance	(6,080,105)	-	(6,080,105)	6,080,105	-
Total other financing sources (uses)	<u>494,735,900</u>	<u>913,163,652</u>	<u>1,407,899,552</u>	<u>(1,365,984,674)</u>	<u>41,914,878</u>
Change in fund balance/net assets	<u>348,069,176</u>	<u>(42,623)</u>	<u>348,026,553</u>	<u>(1,159,068,600)</u>	<u>(811,042,047)</u>
Fund balance/net deficit					
Beginning of year	74,569,614	274,729	74,844,343	(248,198,091)	(173,353,748)
Current year bond activity, net	-	-	-	1,137,049,423	1,137,049,423
End of year	<u>422,638,790</u>	<u>232,106</u>	<u>422,870,896</u>	<u>(270,217,268)</u>	<u>152,653,628</u>

See notes to financial statements.

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**  
(A Component Unit of the State of New Jersey)

**NOTES TO BASIC FINANCIAL STATEMENTS**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Authority**

New Jersey Transportation Trust Fund Authority (the "Authority"), located in Ewing, New Jersey, was created by the State of New Jersey (the "State") in 1984 pursuant to the New Jersey Transportation Trust Fund Authority Act in order to provide a stable, predictable funding mechanism for transportation system improvements undertaken by the New Jersey Department of Transportation. The Authority also finances State aid to counties and municipalities for transportation system improvements.

**Basis of Accounting**

The Authority is a component unit of the State and is included in the general purpose financial statements of the State.

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

In its accounting and financial reporting, the Authority follows the pronouncements of the Governmental Accounting Standards Board ("GASB") and other entities that promulgate accounting principles according to a hierarchy of sources of accounting principles. Per GASB Statement 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, priority is established as to which source of accounting principles to utilize in determining proper accounting treatment. The hierarchy is as follows: GASB Statements and Interpretations; GASB Technical Bulletins; American Institute of Certified Public Accountants ("AICPA") Industry Audit and Accounting Guides and AICPA Statements of Position, if applicable, and cleared by GASB; AICPA Practice Bulletins, if applicable, and cleared by GASB; Implementation Guides published by the GASB; AICPA pronouncements that are not specifically applicable to state and governmental entities; Financial Accounting Standards Board ("FASB") Statements and Interpretations; and Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure (issued on or before November 30, 1989). The Authority follows the hierarchy in determining accounting treatment.

The basic financial statements consist of government-wide and governmental fund financial statements.

The Authority, as a single program government, combines government-wide and governmental fund financial statements, which are linked together by the reconciliation.

The government-wide financial statements are prepared under the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenditures are recognized when incurred. The primary sources of revenues are appropriations received from the State from motor fuel taxes, good drivers' surcharges and commercial vehicle fees and taxes.



**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**  
(A Component Unit of the State of New Jersey)

**NOTES TO BASIC FINANCIAL STATEMENTS**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting (Continued)**

The governmental fund financial statements are prepared under current financial resources measurement focus and on the modified accrual basis of accounting. Revenues are recorded when measurable and available. Expenditures are recognized when the related liability is incurred. The exception to this rule is that principal and interest on long-term debt are recognized when due.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America for governmental units requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Fund Accounts**

In accordance with the 1995 Bond Resolution, the Authority has established the following fund accounts maintained by the Authority:

<u>Fund Accounts</u>	<u>Amount</u>	<u>Use for Which Restricted</u>
Special Revenue Fund Transportation Improvement	Deposit of all revenues received by the Authority. Also used to account for the accumulation of resources for payment of state transportation costs.	Expenditures for specific purposes.
Debt Service Fund (DSF)	Amounts needed to pay matured principal and interest on bonds.	Interest and principal on bonds.

The Authority reserve, which accounts for the Authority's operating expenses, is included in the special revenue fund.

**Income Taxes**

As a public body, under existing statute, the Authority is exempt from both federal and state taxes.

**Bond Issuance Costs**

In the government-wide financial statements, bond issuance costs are reported as deferred charges (assets) and are amortized over the term of the related debt.

In the governmental fund financial statements, bond issuance costs are expensed when incurred.

**Bond Premium**

In the government-wide financial statements, bond premiums are reported as deferred revenues (liabilities) and are amortized over the term of the related debt.

In the governmental fund financial statements, bond premiums are recognized as revenue when received.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY  
(A Component Unit of the State of New Jersey)

NOTES TO BASIC FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Bond Discount**

In the government-wide financial statements, bond discounts are recognized as deferred charges (assets) and are amortized over the term of the related debt.

In the governmental fund financial statements, bond discounts are recognized as expense when received.

**Restricted Net Assets**

In accordance with the terms of the various bond resolutions, cash and equivalents and investments of all funds required under such bond resolutions are classified as restricted assets. The amounts by which the restricted assets exceed the corresponding liabilities they will liquidate are not available for the payment of current operating expenses.

**Accounts Receivable**

The following is a summary of receivables due from the State primarily to fund future bonds payable.

Due within one year	\$ 461,099,585
Due after one year	<u>13,653,175.615</u>
	<u>\$14,114,275.200</u>

B. CASH AND EQUIVALENTS

Cash and equivalents consist primarily of State of New Jersey cash management fund deposits. New Jersey statutes permit the deposit of public funds in the State of New Jersey Cash Management Fund ("NJCMF") or in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation or by any other agencies of the United States that insure deposits.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

- (a) The market value of the collateral must equal 5% of the average daily balance of public funds;  
or
- (b) If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**  
(A Component Unit of the State of New Jersey)

**NOTES TO BASIC FINANCIAL STATEMENTS**

**B. CASH AND EQUIVALENTS (CONTINUED)**

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of failure of the counterparty, the Authority will not be able to recover the value of its cash and investments that are in the possession of an outside party. Cash and equivalents and investments are substantially restricted under the terms of the Authority's bond resolutions for the payment of bond principal and interest expense and the extension of project loans. The bond resolutions limit investments to obligations of the U.S. government or its agencies, investments in certain certificates of deposit of commercial banks that are members of the Federal Reserve System, investments in cash management pools that restrict investments to U.S. government securities, money market funds that invest in high-grade AAA-rated securities, and direct and general obligations of any state that meets the minimum requirements of the resolution.

Cash and equivalents at June 30, 2012, were as follows:

NJCMF	<u>\$ 428,932,759</u>
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Since the Authority's cash and equivalents are all government securities, or an external investment pool, they are not subject to custodial credit risk.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Because the Authority maintains investments in government securities, or an external investment pool, it is not subject to interest rate risk if interest rates fluctuate.

**C. ACCOUNTS PAYABLE - STATE OF NEW JERSEY**

The balance due of \$106,984,448 consists of amounts due the State of New Jersey Special Transportation Fund for reimbursement of State, local and New Jersey Transit transportation costs.

**D. TRANSPORTATION SYSTEM BONDS PAYABLE**

Bond resolutions have been adopted by the Authority for the purpose of making improvements to the transportation system in the State of New Jersey. The following is a summary of revenue bonds outstanding:

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**  
(A Component Unit of the State of New Jersey)

NOTES TO BASIC FINANCIAL STATEMENTS

**D. TRANSPORTATION SYSTEM BONDS PAYABLE (CONTINUED)**

Series	Interest Rate Range	Bonds			Bonds Outstanding (in Thousands) June 30, 2012	Amounts Due within One Year (in Thousands)
		Outstanding (in Thousands) June 30, 2011	Additions (in Thousands)	Reductions (in Thousands)		
1995 Series B	4.50%-7.00%	\$ 33,310	\$ -	\$ 33,310	\$ -	\$ -
1999 Series A	4.50%-5.75%	194,800	-	16,865	177,935	19,140
2001 Series A	4.00%-5.50%	1,570	-	490	1,080	1,080
2001 Series C	2.50%-6.00%	439,210	-	99,665	339,545	105,410
2003 Series A	4.00%-5.50%	298,555	-	4,995	293,560	5,260
2003 Series B	3.50%-5.25%	345,000	-	-	345,000	-
2003 Series C	2.25%-5.50%	15,710	-	-	15,710	-
2004 Series A	3.25%-5.75%	107,495	-	-	107,495	-
2004 Series B	2.50%-5.50%	716,630	-	101,400	615,230	106,805
2005 Series A	5.00%-5.25%	301,510	-	42,825	258,685	81,745
2005 Series B	3.70%-5.50%	1,178,025	-	-	1,178,025	-
2005 Series C	3.25%-5.25%	48,480	-	-	48,480	-
2005 Series D	4.00%-5.00%	462,655	-	-	462,655	-
2006 Series A	4.25%-5.50%	1,576,785	-	-	1,576,785	-
2006 Series C	4.93%-5.05%	3,708,585	-	-	3,708,585	-
2006 A Garvee	5.00%	85,985	-	10,560	75,425	11,090
2007 Series A	3.60%-5.00%	871,175	-	-	871,175	-
2008 Series A	5.25%-6.00%	2,173,735	-	-	2,173,735	-
2009 Series A	6.23%-6.40%	869,075	-	-	869,075	-
2009 Series B	6.875%	273,500	-	-	273,500	-
2009 Series C	Variable	150,000	-	-	150,000	-
2009 Series D	Variable	147,500	-	-	147,500	-
2010 Series A	3.00%-5.00%	1,273,180	-	-	1,273,180	-
2010 Series B	6.561%	500,000	-	-	500,000	-
2010 Series C	5.75%-6.10%	1,000,000	-	-	1,000,000	-
2010 Series D	3.00%-5.25%	485,875	-	-	485,875	-
2010 Series E	3.60%	14,100	-	-	14,100	-
2011 Series A	6.561%	600,000	-	-	600,000	9,725
2011 Series B	5.00%-5.50%	-	1,315,000	-	1,315,000	19,775
		<u>17,872,445</u>	<u>1,315,000</u>	<u>310,110</u>	<u>18,877,335</u>	<u>360,030</u>
Less unamortized bond accretion		<u>(4,991,166)</u>	<u>127,037</u>	<u>-</u>	<u>(4,864,130)</u>	<u>-</u>
Total		<u>\$ 12,881,279</u>	<u>\$ 1,442,037</u>	<u>\$ 310,110</u>	<u>\$ 14,013,205</u>	<u>\$ 360,030</u>

Total maturities of transportation system bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 360,030,000	\$ 605,408,818	\$ 965,438,818
2014	380,840,000	585,380,576	966,220,576
2015	418,780,000	564,494,845	983,274,845
2016	440,680,000	542,483,141	983,163,141
2017	469,555,000	518,475,525	988,030,525
2018-2022	2,911,780,000	2,191,670,711	5,103,450,711
2023-2027	3,758,300,000	1,368,350,090	5,126,650,090
2028-2032	3,507,210,000	903,705,428	4,410,915,428
2033-2037	3,436,375,000	608,843,469	4,045,218,469
2038-2042	<u>3,193,785,000</u>	<u>249,065,544</u>	<u>3,442,850,544</u>
Total	<u>18,877,335,000</u>	<u>\$ 8,137,878,147</u>	<u>\$ 27,015,213,147</u>
Less unamortized bond accretion	<u>4,864,129,385</u>		
Total Bonds Payable	<u>\$ 14,013,205,615</u>		

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**  
(A Component Unit of the State of New Jersey)

**NOTES TO BASIC FINANCIAL STATEMENTS**

**D. TRANSPORTATION SYSTEM BONDS PAYABLE (CONTINUED)**

The bonds are secured primarily by revenues received by the Authority from the State. The payment of all such revenues to the Authority is subject to and dependent upon appropriations being made from time to time by the State Legislature. The State Legislature has no legal obligation to make such appropriations.

**2003 Series B**

The Authority remarketed the 2003 Series B (Periodic Auction Reset Securities) bonds in September 2008. The Remarketed Bonds were converted pursuant to the terms of the Resolution to bear interest in the Fixed Rate mode. Principal repayments begin December 15, 2016, and end December 15, 2019. Interest payments began December 15, 2008.

The 2003 Series B Bonds were re-marked as fixed rate bonds on various dates between September 2, 2008 and September 8, 2008. The Existing Swap Agreements may be amended, terminated or offset with additional interest rate swaps when market conditions permit. The Authority applied a portion of the Existing Swap Agreements as hedges related to the 2009 Series C Bonds and the 2009 Series D Bonds. Amid favorable market conditions these swap agreements were terminated in December 2011, in accordance with the bond agreement.

**2006 A Garvee Bond**

The debt service and interest expense payments on the 2006 A Garvee bond are reimbursed by the Federal Highway Administration, through the New Jersey Department of Transportation. These amounts are included in the principal and bond interest expense. The principal payment and interest payments reimbursed as of June 30, 2012, were \$5,122,793 and \$3,192,409, respectively.

**2009 Series C and D Bonds – Letter of Credit Facilities**

In connection with the issuance of and to provide additional security to the 2009 Series C and Series D bondholders, the Authority entered into irrevocable, direct-pay letter of credit facilities (the "Credit Facility" or "Credit Facilities") with two separate financial institutions (the "Credit Facility Providers"). The Credit Facilities for the 2009 Series C Bonds and 2009 Series D Bonds in the original stated amount of \$152,367,124 and \$149,827,672, respectively, representing the sum of a) the aggregate principal amount of the 2009 Series C and D Bonds, and b) 48 days' interest on the 2009 Series C and D Bonds (computed at a rate of 12% per annum) are scheduled to expire on December 15, 2011, unless extended in accordance with its terms. These two Credit Facilities were renewed by one financial institution on December 9, 2011, and are now set to expire on December 9, 2014. Each Credit Facility will terminate upon conversion of the 2009 Series C or Series D Bonds from a variable rate to a fixed rate interest mode. The bond trustee for each of the 2009 Series C and Series D Bonds is directed to draw on the Credit Facilities to pay when due the principal of and interest on the bonds. The Authority pays a letter of credit fee to the Credit Facility Providers and has entered into agreements to reimburse the Credit Facility Providers for any amounts drawn upon the Credit Facilities by the bond trustee. For the year ended June 30, 2012, the Authority paid \$2,856,246 in fees related to the Credit Facilities.

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**  
(A Component Unit of the State of New Jersey)

**NOTES TO BASIC FINANCIAL STATEMENTS**

**E. ADVANCE REFUNDINGS**

When conditions warrant, the Authority sells various issues of bonds to provide for the refunding of previously issued obligations in order to achieve interest cost savings.

The proceeds received from the sales of the bond issues are used to currently refund the outstanding bond issues or to deposit in an irrevocable escrow fund held by an escrow agent an amount that, when combined with interest earnings thereon, will be at least equal to the sum of the first optional redemption date thereof and the premium required to redeem the bonds outstanding on such date. Accordingly, the Authority's assets and the liabilities for defeased bonds are not included in the Authority's financial statements. These transactions defeased the outstanding bond issues with a resultant reduction in annual debt service during the term of the issues.

There were no new refundings in fiscal year ended June 30, 2012.

Refunded bonds outstanding at June 30, 2012, are comprised of the following:

Issue	Principal Amount Outstanding June 30, 2012
2005 Series B	\$ 905,235,447
2005 Series D	999,836,047
2006 Series B	104,263,626
2010 Series D&E	<u>174,707,566</u>
	<u>\$ 2,184,042,686</u>

**F. CONCENTRATION OF RISK AND UNCERTAINTIES**

**Cash and Equivalents**

The Authority maintains cash and short-term investment balances which may exceed federally insured limits. It historically has not experienced any credit-related losses.

**G. ADJUSTMENTS - RECONCILIATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS AND GOVERNMENT-WIDE FINANCIAL STATEMENTS**

(1) Unamortized bond issuance cost is recorded as deferred charges (other assets) in the statement of net assets and is amortized over the life of the debt. Amortization expense is recorded in the statement of activities. In governmental funds financial statements, bond issuance costs are expensed when incurred. Balances as of June 30, 2012, were:

Bond issuance costs	\$ 151,388,788
Accumulated amortization	<u>(45,651,044)</u>
Total unamortized bond issuance cost	<u>\$ 105,737,744</u>
Amortization expense	<u>\$ 7,735,404</u>

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY  
(A Component Unit of the State of New Jersey)

NOTES TO BASIC FINANCIAL STATEMENTS

G. ADJUSTMENTS - RECONCILIATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS AND GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

- (2) Long-term liabilities (bonds payable and accrued interest payable) applicable to the Authority's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets. Balances as of June 30, 2012, were:

Bonds payable	\$12,881,278,986
Add issuance of bonds	1,315,000,000
Less principal payments	(310,110,000)
Add accretion	<u>127,036.629</u>
Total	<u>\$14,013,205,615</u>
Accrued interest payable	<u>\$ 25,147,922</u>

- (3) Bond proceeds contribute to the change in fund balance in governmental funds. In the government-wide statements, issuing debt increases long-term liabilities in the statement of net assets and does not affect the statements of activities.

Proceeds were received from:

2011 Series B Bond	<u>\$ 1,315,000,000</u>
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- (4) Repayment of bond principal is reported as an expenditure in governmental funds and thus reduces the fund balance. For the Authority as a whole, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities. Principal payments, including amounts required for refunding bond issues, were made as follows:

Scheduled principal payments	<u>\$ 310,110,000</u>
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- (5) Unamortized bond premium is recorded as deferred revenue (other liabilities) in the statement of net assets and is amortized over the life of the debt. Amortization revenue is recorded in the statement of activities. In governmental funds financial statements, bond premiums are recognized as revenue when received. Balances as of June 30, 2012, were:

Bond premium	\$ 666,371,570
Accumulated amortization	<u>(286,388,687)</u>
Total unamortized bond premium	<u>\$ 379,982,883</u>
Amortization revenue	<u>\$ 44,587,775</u>

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**  
(A Component Unit of the State of New Jersey)

NOTES TO BASIC FINANCIAL STATEMENTS

**G. ADJUSTMENTS - RECONCILIATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS AND GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)**

(6) Unamortized bond discount is recorded as deferred charge (other assets) in the statement of net assets and is amortized over the life of the debt. Amortization expense is recorded in the statement of activities. In governmental funds financial statements, bond discounts are recognized as expense when received. Balances as of June 30, 2012, were:

Bond discount	\$ 22,099,436
Accumulated amortization	<u>(2,391,245)</u>
Total unamortized bond discount	<u>\$ 19,708,191</u>
Amortization expense	<u>\$ 735,116</u>

(7) The adjustment related to current year bond activity, net, is comprised of the following:

Bond principal payment	\$ (310,110,000)
Garvee bond principal reimbursement	5,122,793
Bond premium	(51,941,985)
Bond issuance costs	6,080,105
Net bond proceeds	1,360,861,881
Capital appreciation bonds interest expense	<u>127,036,629</u>
Current year bond activity, net	<u>\$ 1,137,049,423</u>

**H. SUBSEQUENT EVENTS**

Management has evaluated subsequent events that occurred after the balance sheet date but before October 19, 2012, the date the financial statements were available to be issued. No subsequent events were noted by management that require disclosure.



SUPPLEMENTARY INFORMATION

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**  
(A Component Unit of the State of New Jersey)

**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

June 30, 2012

**CASH BALANCES, JUNE 30, 2011**

**RECEIPTS:**

	Authority Reserve	Transportation Improvement	Total	Debt Service	Total
	\$	\$	\$	\$	\$
Motor fuel taxes	-	522,167,000	522,167,000	-	522,167,000
Commercial vehicle fees and taxes	-	455,000,000	455,000,000	-	455,000,000
Toll road authorities	-	7,133,000	7,133,000	-	7,133,000
Build America Bond Credits	-	-	-	38,722,469	38,722,469
Interest income	5	229,612	229,617	224,408	454,025
Bond proceeds	-	1,360,861,881	1,360,861,881	-	1,360,861,881
Sale of cash management fund investment and other investments (net)	-	-	-	42,832	42,832
Garvee bond debt service reimbursement	-	-	-	2,149,625	2,149,625
Operating transfers in	34,301	-	34,301	871,917,367	871,951,668
<b>Total Receipts</b>	<b>34,306</b>	<b>2,345,391,493</b>	<b>2,345,425,799</b>	<b>913,056,701</b>	<b>3,258,482,500</b>

**DISBURSEMENTS:**

Operating expenses and financial costs	19,533	411,576	431,109	928,722	1,359,831
Bond interest expense	-	-	-	602,017,979	602,017,979
State transportation costs	-	1,289,000,000	1,289,000,000	-	1,289,000,000
Principal retirement of bonds payable	-	-	-	310,110,000	310,110,000
Purchase of cash management fund investments	14,673	183,931,096	183,945,769	-	183,945,769
Operating transfers out	-	871,951,668	871,951,668	-	871,951,668
<b>Total Disbursements</b>	<b>34,206</b>	<b>2,345,294,340</b>	<b>2,345,328,546</b>	<b>913,056,701</b>	<b>3,258,385,247</b>

**CASH BALANCES, JUNE 30, 2012**

	\$	100	\$	97,153	\$	97,253	\$	-	\$	97,253
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Note: Cash balances consist of checking account activity only.

The motion was seconded by Mr. Ferreira. Deputy Commissioner Joseph Mrozek asked if anyone had any questions or further discussion. The members did not have any questions or discussion on the motion. The members were polled with all members being in favor, and no members were in opposition; therefore the motion was carried.

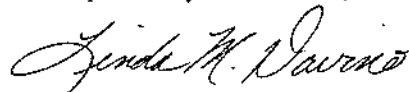
Finally, Deputy Commissioner Joseph Mrozek asked the Board if there were any other issues to be discussed.

Gary Brune reminded the board members that the deadline for ethics training is November 12, 2012, and that they can comply by accessing the online training website that they were previously notified about.

There being no further business coming from the Authority, Deputy Commissioner Joseph Mrozek requested a motion to adjourn the meeting. Mr. Petrecca moved that the October 26, 2012 meeting of the New Jersey Transportation Trust Fund Authority be adjourned, and Mr. Ferreira seconded the motion, all members were in favor with no members opposed, and the motion was carried.

The New Jersey Transportation Trust Fund Authority meeting ended at approximately 1:30PM.

Respectfully Submitted,



Linda M. Davino  
Secretary of the Authority