

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

Minutes of the meeting of the New Jersey Transportation Trust Fund Authority (the “Authority”) held at the Office of the Commissioner in the Administration Building of the New Jersey Department of Transportation, 1035 Parkway Avenue, Trenton, New Jersey on May 11, 2006 at 10:48 a.m. (E.D.T.)

The following Authority members were present:

Kris Kolluri, Esq., Commissioner, Department of Transportation
Michael Lihvarcik, Office of Management and Budget, Designee for Treasurer Bradley I. Abelow, CPA
Robert A. Briant, Jr., Public Member
Joseph Ripa, Public Member

Constituting a quorum of the Members of the Authority

There were also present:

Steven Hanson, Executive Director
Sandra Deon, Secretary of the Authority
Mina Tsintzas, Assistant Secretary of the Authority
Aimee Manocchio Nason, Deputy Attorney General
Sonia Frontera, Esq., Governor’s Authorities Unit
M. Jeremy Ostow, Esq., McManimon & Scotland, L.L.C., Bond Counsel
Leah Sandbank, Esq., McManimon & Scotland, L.L.C., Bond Counsel
Dennis Enright, NW Financial Group, LLC., Financial Advisor
Charles Ellinwood, Bear, Sterns & Co, Inc., Senior Managing Underwriter
James M. Petrino, Acting Director, Office of Public Finance
Joe Licari, Director, Division of Accounting & Auditing
Mike MacFeeters, Division of Accounting & Auditing

Commissioner Kris Kolluri presided at the meeting, and Sandra Deon, Secretary, kept the minutes.

Commissioner Kolluri convened the meeting at 10:48 a.m. After acknowledging that a quorum of the members were present, he made the following statement:

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

Executive Director Steve Hanson called the roll.

Mr. Ripa moved the following resolution approving the minutes of the Authority's May 4, 2006 meeting:

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

NOW, THEREFORE, BE IT RESOLVED, that the minutes taken at the meeting of May 4, 2006 of the New Jersey Transportation Trust Fund Authority are hereby approved.

The above resolution was seconded by Mr. Briant and Executive Director polled the members:

Mr. Briant – Yea

Mr. Ripa – Yea

Mr. Livarcik – Yea

Mr. Kolluri - Yea

Nays: 0

Commissioner Kolluri then asked Mr. Hanson to provide an update on the Authority's refunding bond issue and to summarize the actions that the Board was being asked to vote upon. Mr. Hanson asked Charles Ellinwood of Bear Stearns whether he had any updates to the information which he provided to the Board at the Authority's May 4, 2006 Board Meeting

relative to the refunding bond issue. Mr. Ellinwood replied that there have been no significant changes.

Then Mr. Hanson asked Jerry Ostow of McManimon & Scotland, bond counsel, to summarize the Nineteenth Supplemental Transportation System Bond Resolution. Mr. Ostow provided a brief summary.

There being no further discussion, Commissioner Kolluri requested a motion authorizing the Nineteenth Supplemental Transportation System Bond Resolution. A motion to adopt the following Nineteenth Supplemental Transportation System Bond Resolution was made by Mr. Ripa.

**ATTACHMENTS TO THE NINETEENTH SUPPLEMENT TRANSPORTATION
SYSTEM BOND RESOLUTION:**

- a) Bond Purchase Contract**
- b) Preliminary Official Statement**
- c) Continuing Disclosure Agreement**
- d) Second Amended and Restated Contract Implementing Funding Provisions
of the New Jersey Transportation Trust Fund Authority Act**
- e) Escrow Deposit Agreement**

The above resolution was seconded by Mr. Briant and Executive Director Hanson polled the members:

Mr. Briant – Yea

Mr. Ripa – Yea

Mr. Livarcik – Yea

Mr. Kolluri - Yea

Nays: 0

Mr. Kolluri then asked Mr. Hanson to provide an update on our new money bond issue which will be used to finance the Fiscal Year 2007 Capital Program and to summarize the actions that we are being asked to vote upon today.

Mr. Hanson stated that the Twentieth Supplemental Transportation System Bond Resolution authorizes a maximum a \$1.6 billion in aggregate principal amount of bonds. He pointed out, however, that the Authority's capital program for Fiscal Year 2007 only anticipates \$1.1 billion in bonds being issued, and the new money bond issue is anticipated to be in approximately this amount.

Mr. Hanson asked Charles Ellinwood of Bear Stearns to advise the Board as to the anticipated structure of the bond issue, and Mr. Ostow gave brief a summary of the key provisions of the Twentieth Supplemental Transportation System Bond Resolution.

There being no further discussion, Commissioner Kolluri requested a motion authorizing the Twentieth Supplemental Transportation System Bond Resolution. A motion to adopt the following Twentieth Supplemental Transportation System Bond Resolution was made by Mr. Lihvarcik.

SEE THE FOLLOWING ATTACHMENTS WHICH ARE APPENDED TO THE NINETEENTH SUPPLEMENT TRANSPORTATION SYSTEM BOND RESOLUTION AND WHICH ALSO RELATE TO THE TWENTIETH SUPPLEMENTAL TRANSPORTATION SYSTEM BOND RESOLUTION:

- a) Bond Purchase Contract**
- b) Preliminary Official Statement**
- c) Continuing Disclosure Agreement**
- d) Second Amended and Restated Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act**

The above resolution was seconded by Mr. Ripa and Executive Director Hanson polled the members:

Mr. Briant – Yea

Mr. Ripa – Yea

Mr. Livarcik – Yea

Mr. Kolluri - Yea

Nays: 0

Commissioner Kolluri recused himself from participating with respect to the following item and designated Joe Fiordaliso, Chief of Staff of the Department of Transportation, to act as his designee for purposes of voting on the Authority's Resolution Authorizing the Payment of Costs of Issuance in Connection with the New Jersey Transportation Trust Fund Authority's Transportation System Bonds, 2006 Series (Refunding Bonds) and its Transportation Trust Fund Authority's Transportation System Bonds, 2006 Series (New Money Bonds).

Mr. Hanson stated that the professional fees reflected on the costs of issuance schedule were from the proposals submitted by the various professionals. Mr. Hanson stated that the bond insurance estimate has not been determined due to issues relating to insurance capacity and the amount of the bonds to be insured, which cannot be determined until the day of pricing. He asked Mr. Ellinwood to describe the issues relating to the purchase of bond insurance. Subsequently, Mr. Hanson indicated that the Board had two options. It could approve the costs of issuance without the bond insurance amount or include a not to exceed bond insurance amount based on information presented by Mr. Ellinwood. Mr. Briant and Mr. Ripa agreed that the amount of bond insurance should be determined at the time of pricing by Mr. Hanson in accordance with the supplemental bond resolutions.

Mr. Briant then moved the following resolution approving the payment of costs of issuance in connection with the New Jersey Transportation Trust Fund Authority's Transportation System Bonds, 2006 Series (Refunding Bonds) and its Transportation System Bonds, 2006 Series (New Money Bonds).

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

WHEREAS, the Authority has determined at its meeting on May 11, 2006 to authorize the issuance of its Transportation System Bonds, 2006 Series (Refunding Bonds) (the "Refunding Bonds"), in two or more series, in an aggregate principal amount not to exceed \$1,950,000,000 for the purpose of refunding certain outstanding bonds of the Authority; and

WHEREAS, the Authority also has determined at its meeting of May 11, 2006 to authorize the issuance of its Transportation System Bonds, 2006 Series (New Money bonds) (the "New Money Bonds"), in one or more series, in an aggregate principal amount not to exceed \$1,600,000,000 for the purpose of financing the Fiscal Year 2007 Capital Program (collectively, the "Refunding Bonds" and the "New Money Bonds," being referred to herein as the "Bonds"); 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; and

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

NOW, THEREFORE, BE IT RESOLVED, that:

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

EXHIBIT “A”

**TRANSPORTATION SYSTEM BONDS, 2006 SERIES (REFUNDING BONDS)
AND
TRANSPORTATION SYSTEM BONDS, 2006 SERIES (NEW MONEYBONDS)**

Bond Counsel	<i>McManimon & Scotland</i>	\$ 107,500.00
Printer	<i>St. Ives Financial</i>	60,000.00
Ratings	<i>S&P</i>	130,000.00
	<i>Moody’s</i>	135,000.00
	<i>Fitch</i>	100,000.00
Bond Insurance	<i>To Be Determined</i>	To Be Determined**
Trustee	<i>Commerce Bank</i>	30,000.00
Trustee’s Counsel	<i>To Be Determined (Included in Trustee’s Fee)</i>	--
Financial Advisor	<i>NW Financial Group, LLC</i>	50,000.00
Escrow Agent	<i>Commerce Bank (Included in Trustee’s Fee)</i>	--
Advertising	<i>Various</i>	- 0 -
Miscellaneous	<i>Various</i>	50,000.00
Structuring Fee	<i>Office of Public Finance</i>	100,000.00
<u>TOTAL</u>		<u>\$ 762,500.00*</u>

***PLEASE NOTE** that the Underwriter’s Discount for the Refunding Bonds is not to exceed \$5.17 per 1,000 of Refunding Bonds as authorized by the Nineteenth Supplemental Bond Resolution adopted on May 11, 2006 and the Underwriter’s Discount for the New Money bonds is not to exceed \$5.17 per \$1,000 of New Money bonds as authorized by the Twentieth Supplemental Bond Resolution adopted on May 11, 2006. Underwriter’s Counsel’s fee, which is estimated to be \$100,000 plus disbursements, will be paid out of the Underwriter’s Discount on the Refunding Bonds and the New Money Bonds.

****PLEASE NOTE** that the Executive Director is authorized to determine the amount of bond insurance and the cost of such bond insurance at the time of pricing of the 2006 Bonds in accordance with the Nineteenth and Twentieth Supplemental Transportation System Bond Resolutions.

The above resolution was seconded by Mr. Ripa and Executive Director Hanson polled the members:

Mr. Briant – Yea

Mr. Ripa – Yea

Mr. Livarcik – Yea

Mr. Kolluri - Yea

Nays: 0

There being no further business coming before the Authority, Chief of Staff Fiordaliso requested a motion to adjourn the meeting. Mr. Briant moved that the May 11, 2006 meeting of the Transportation Trust Fund Authority be adjourned, and Mr. Ripa seconded the motion, which was unanimously adopted.

The New Jersey Transportation Trust Fund Authority Fund Meeting ended at approximately 11:10 a.m.

Respectfully submitted,

Sandra S. Deon
Secretary of the Authority