

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 on the first floor of the Main Office Building of the New Jersey Department of Transportation, 1035 Parkway Avenue, Trenton, New Jersey on September 5, 2007 at 11:07 a.m. (E.D.T.)

The following Authority members were present:

Kris Kolluri, Chairman, Commissioner, Department of Transportation
Robert L. Smartt, Deputy State Treasurer, Designee for The Honorable Bradley I. Abelow
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 S. Deon, Secretary of the Authority
Mina Tsintzas, Assistant Secretary
Aimee Manocchio Nason, Deputy Attorney General
Sonia Frontera, Esq., Governor's Authorities Unit, via Telephone
Mike MacFeeters, Office of the Executive Director
Joe Licari, Director, Division of Accounting & Auditing, DOT
Yvette Santiago-Green, Esq., Ethics Liaison Officer
Nancy B. Feldman, Director, Office of Public Finance, via Telephone
Kate Singe, Manager, Office of Public Finance, via Telephone
Liza L. Wolf, Esq., Cozen O'Connor, Bond Counsel
Rafael Perez, Esq., Cozen O'Connor, Bond Counsel
James Vari, Office of Management & Budget
Eugene P. Spinelli, Managing Director, UBS Securities, LLC. Underwriter
Rusty McNichol, Reporter, The Star Ledger

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

Commissioner Kolluri convened the meeting at 11:07 a.m. and acknowledged that a quorum of the members were present.

Executive Director Hanson read 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 mailed to five newspapers of general distribution (The Trentonian, Trenton Times, Camden Courier Post, Star Ledger, and Atlantic City Press), posted on the Authority's website, and in the main entrance of the New Jersey Department of Transportation headquarters.

Executive Director Hanson called the roll.

Mr. Ripa moved the following resolution approving the minutes of the Authority's June 29, 2007 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 minutes taken at the meeting on June 29, 2007 of the New Jersey Transportation Trust Fund Authority are hereby approved.

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

Yeas: 4

Nays: 0

As the next order of business, Chairman Kolluri called upon Executive Director Hanson to give a brief overview of the Twenty-First Supplemental Bond Resolution. Executive Director Hanson stated that the bond issue of \$1.25 billion is needed to support the normal activities of the Department's capital program. The bond structure is a little different from the structure used for the original five-year program. There will be no capital appreciation bonds and there is a possibility that variable interest rate bonds will be used.

Executive Director Hanson asked Eugene Spinelli, Managing Director, UBS Securities LLC, to explain the structure of the proposed financing. Mr. Spinelli stated given the current economic climate, it is anticipated that the bonds will be issued as fixed rate bonds with approximately \$300 million of the bonds maturing between 2008 and 2022 and having a short call date of approximately 12 to 18 months. The remaining \$950 million of bonds will mature between 2023 and 2037 and have a standard 10-year call date. To the extent that the Authority determines not to issue fixed rate bonds, the Authority will issue \$300 million of insured auction rate bonds, with an initial fixed interest rate period of up to 13 months. After the initial fixed interest rate period, the Authority have the option to convert to a different auction rate period. Commissioner Kolluri asked whether the Authority would have complete authority to make this determination and this was confirmed.

Following this discussion, Mr. Hanson introduced Bond Counsel Ray Perez who provided an overview of the bond documents the Board was being asked to approve in connection with the proposed issuance of the new money 2007 Series Bonds. Mr. Perez explained that the Board was being asked to consider the Twenty-First Supplemental Transportation System Bond Resolution (“Twenty-First Supplemental Bond Resolution”) which Supplemental Bond Resolution authorizes the issuance of Transportation System Bonds for the purpose of paying State Transportation System Costs for authorized capital projects through early 2009, as previously detailed by Steve Hanson. The Twenty-First Supplemental Bond Resolution authorizes the issuance of not to exceed \$1.25 billion of bonds, which bonds may bear interest at a fixed rate or at a variable rate as determined by an authorized Authority official. The Twenty-First Supplement Bond Resolution appoints UBS Securities LLC as senior managing underwriter and as senior broker-dealer with respect to the 2007 Series Bonds that are

variable interest rate bonds bearing interest for an auction period (should the bonds be issued as auction rate bonds).

The Twenty-First Supplement Bond Resolution approves the form of Continuing Disclosure Agreement, Preliminary Official Statement, Bond Purchase Agreement, Auction Agreement, Broker-Dealer Agreement and Remarketing Agreement. The Twenty-First Supplement Bond Resolution also authorizes the printing and distribution of the Preliminary Official Statement and the Official Statement. The Twenty-First Supplement Bond Resolution delegates certain matters to authorized Authority officials, including, but not limited to, (i) the determination of principal amounts, maturities, interest rates or yields to maturity, redemption provisions, interest rate provisions and other matters relating to the bond terms; (ii) the determination of whether to purchase bond insurance; and (iii) the appointment of auction agents, broker-dealers and/or remarketing agents.

After the presentation, there being no further discussion, Mr. Ripa moved the following resolution approving the Twenty-First Supplemental Transportation System Bond Resolution.

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

Mr. Kolluri: Yea

Mr. Smartt: Yea

Mr. Briant: Yea

Mr. Ripa: Yea

Commissioner Kolluri then asked Executive Director Hanson to summarize the costs of issuance associated with the Twenty-First Supplemental Bond issue. Mr. Hanson explained that the resolution authorizes the payment of expenses that are expected to be incurred in connection with the issuance of the Transportation System Bonds, 2007 Series A. Such expenses include those of bond counsel, the three rating agencies, the bond insurer, if any, the trustee, trustee's counsel, the structuring fee of the Office of Public Finance, the printer for the official statements, advertising and miscellaneous expenses. The resolution authorizes the Executive Director to pay these expenses, provided that each of the expenses is not in excess of 10 percent of the amount indicated.

Mr. Hanson also explained that the largest amount of money expended in the costs of issuance is for bond insurance. The decision whether to obtain bond insurance is made when the Authority goes to market based upon what is most beneficial and cost effective. If it makes sense to do so, the Authority will purchase bond insurance. Mr. Spinelli stated that the bond insurance is going to bid out on September 6, 2007.

There being no further discussion, Mr. Ripa 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, 2007 Series A

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 also has determined at its meeting of September 5, 2007 to authorize the issuance of its Transportation System Bonds, 2007 Series A (the " Bonds"), in one or more series, in an aggregate principal amount not to exceed \$1,250,000,000.00 for the purpose of financing the Fiscal Year 2008 Capital Program; 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, 2007 SERIES A

Bond Counsel	<i>Cozen O'Connor</i>	\$ 53,500.00
Printer	<i>Bowne of Philadelphia</i>	80,000.00
Ratings	<i>S&P</i>	65,000.00
	<i>Moody's</i>	75,000.00
	<i>Fitch</i>	65,000.00
Bond Insurance	<i>To Be Determined</i>	18,267,477.65
Trustee	<i>Commerce Bank</i>	7,500.00
Trustee's Counsel	<i>McManimon & Scotland</i>	5,000.00
Miscellaneous	<i>Various</i>	17,336.15

Structuring Fee	<i>Office of Public Finance</i>	250,000.00
	<u>TOTAL</u>	<u>\$ 18,885,813.80</u>

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

Mr. Briant – Yea

Mr. Ripa – Yea

Mr. Smartt– Yea

Mr. Kolluri - Yea

Nays: 0

There being no further business coming before the Authority, Commissioner Kolluri requested a motion to adjourn the meeting. Mr. Ripa moved that the September 5, 2007 meeting of the Transportation Trust Fund Authority be adjourned, and Mr. Briant seconded the motion, which was unanimously adopted.

The New Jersey Transportation Trust Fund Authority Meeting ended at approximately 11:15 a.m.

Respectfully submitted,

Sandra Deon
Secretary of the Authority