

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

Minutes of the regular meeting of the New Jersey Transportation Trust Fund Authority (the "Authority") held in the Commissioner's Conference Room on the first floor of the Main Office Building at the New Jersey Department of Transportation, 1035 Parkway Avenue, Trenton, New Jersey on May 4, 2006 at 1 p.m. (E.D.T.)

The following Authority members were present:

Chairman Kris Kolluri, Commissioner, Department of Transportation;
Public Members Robert A. Briant, Jr. and Joseph Ripa;
and Mike Lihvarcik, designee for the Treasurer

Constituting a quorum of the Members of the Authority.

There were also present:

Steven Hanson, Executive Director
Mina Tsintzas, Assistant Secretary of the Authority
Aimee Manocchio Nason, Deputy Attorney General
James Carey, Esq., Governor's Authorities Unit
M. Jeremy Ostow, Esq., McManimon & Scotland, L.L.C., Bond Counsel
Leah Sandbank, McManimon & Scotland, L.L.C.
Dennis Enright, NW Financial Group, LLC., Financial Advisor
Charles Ellinwood, Bear, Sterns & Co, Inc., Senior Managing Underwriter
Jonathan Tamari, Reporter, Gannett NJ Newspaper Group
James M. Petrino, Acting Director, Office of Public Finance
David K. Moore, Manager, Office of Public Finance
Mike MacFeeters, Division of Accounting & Auditing

Executive Director Steven Hanson presided at the meeting, and Mina Tsintzas, Assistant Secretary, kept the minutes.

Executive Director Steven Hanson convened the meeting at 1:15 p.m. and acknowledged that a quorum of the members were present and made the following statement:

I wish to announce that adequate notice of today's meeting of the New Jersey Transportation Trust Fund Authority has been provided in accordance with the Open Public Meetings 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, Newark Star Ledger, and

Atlantic City Press) and posted in the main entrance of the New Jersey Department of Transportation headquarters.

Executive Director Hanson called the roll.

Joseph Ripa moved the following resolution approving the minutes of the Authority's April 6, 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 April 6, 2006 of the New Jersey Transportation Trust Fund Authority are hereby approved.

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

Yeas: 4

Nays: 0

As the next order of business, Executive Director Hanson asked Charles Ellinwood, Senior Managing Underwriter, Jerry Ostow, Bond Counsel, and Financial Advisor Dennis Enright to describe the refunding bond issue being authorized in the Resolution Approving the 2006 Refunding Finance Plan. Bear Sterns was asked to discuss the structure of the planned sale and highlight compliance with the present value savings methodology provided in the new legislation. NW Financial Group, LLC was asked to provide the board members with an independent assessment of the proposed restructuring, and McManimon & Scotland was asked to provide comments on the legal aspects of the restructuring, particularly the taxable bonds, and then highlight the resolutions which the Board was being asked to vote upon. Mr. Ostow explained that the plan of finance being submitted to the Joint Budget Oversight Committee involves the refunding of not exceeding \$1.95 billion of transportation system bonds at a true interest not exceeding 6% percent per annum. Mr. Hanson also explained that the plan will enable the Authority to

restructure the annual debt service on the Authority's outstanding bonds through Fiscal Year 2024 in order that the annual revenues of the Authority, as increased by P.L. 2006, c.3, will be sufficient to enable the Authority to finance its projected capital needs through its Fiscal Year 2011 in the amount of approximately \$6.97 billion, including approximately \$600 million of pay-as-you-go capital.

After the presentations, Mr. Hanson requested a motion authorizing the Resolution Approving the 2006 Refunding Finance Plan. A motion to adopt the following Resolution Approving the 2006 Refunding Finance Plan was made by Joseph Ripa.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

2006 REFUNDING FINANCE PLAN

RESOLUTION OF THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY APPROVING THE 2006 REFUNDING FINANCE PLAN FOR ALL OR A PORTION OF ITS OUTSTANDING TRANSPORTATION SYSTEM BONDS AND AUTHORIZING THE SUBMISSION OF THE 2006 REFUNDING FINANCE PLAN TO THE JOINT BUDGET OVERSIGHT COMMITTEE OF THE STATE LEGISLATURE FOR APPROVAL

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, on the basis of a finance plan submitted to the Authority for the refunding of certain of its Transportation System Bonds, attached hereto as Exhibit "A" (the "Refunding Finance Plan"), and the examination by the Authority of the Refunding Finance Plan, the Authority believes that it is in the best interests of the Authority to proceed with the sale and issuance of refunding bonds to refinance certain of its outstanding Transportation System Bonds and thereby reduce, on a present value basis, the aggregate amount of principal and interest payable on outstanding Transportation System Bonds in order to make more efficient use of the Authority's and the State's resources; and

WHEREAS, Section 9(j) of the Act requires that upon the decision by the Authority to issue refunding bonds, and prior to the sale of the refunding bonds, the Authority must transmit to the Joint Budget Oversight Committee of the State Legislature (the "Committee") a report (the "Report") that a decision to issue refunding bonds has been made by the Authority, reciting the basis on which the Authority 's 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 decisions to issue refunding bonds and disclosing the intent of the Authority to sell and issue the refunding bonds at public or private sale and the reason therefor; and

WHEREAS, the Authority has determined that it is desirable and in the best interests of the Authority to approve the Refunding Finance Plan, in substantially the form attached hereto as Exhibit "A", with such changes made upon advice of the Attorney General and Bond Counsel, and approved by the Executive Director, in consultation with the State Treasurer; and

WHEREAS, the Authority intends to issue refunding bonds ("Refunding Bonds") to pay the principal of, and premium, if any, and interest on all or some of the Transportation System Bonds as set forth in the Refunding Finance Plan; and

WHEREAS, the decision of the Authority to issue the Refunding Bonds is subject to the Committee's approval of (a) the Report, and (b) the sale and issuance of the Refunding Bonds.

NOW, THEREFORE, BE IT RESOLVED, by the Members of the New Jersey Transportation Trust Fund Authority as follows that

Subject to the approval by the Committee, the Authority hereby determines to issue the Refunding Bonds in the manner set forth in the Report referred to in Section 2 hereof.

The Authority hereby approves the Refunding Finance Plan, attached hereto as Exhibit "A", in substantially the form attached hereto, subject to any changes made upon the advice of the Attorney General and Bond Counsel, and authorizes the Executive Director, in consultation with the State Treasurer, to make such additions, corrections or deletions in the Refunding Finance Plan as he deems necessary and hereby designates the Refunding Finance Plan and this Resolution as the Report.

The Authority hereby authorizes and directs the Executive Director to transmit the Report, on behalf of the Authority, to the Committee, requesting the Committee's written approval of (a) the Report, and (b) the sale and issuance of the Refunding Bonds, in accordance with Section 9(j) of the Act.

All provisions for the issuance of the Refunding Bonds shall be as set forth in a Supplemental Resolution to be adopted pursuant to the Authority's 1995 Transportation System Bond Resolution, adopted June 15, 1995, as amended and supplemented, subject to the prior written approval of the Governor and the Treasurer as required pursuant to the Act.

This Resolution shall take effect upon adoption in accordance with the Act.

[PLAN OF FINANCE AND ATTACHMENTS INCLUDED UNDER SEPARATE COVER]

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

Yeas: 4

Nays: 0

Executive Director Hanson asked for a motion to adopt the following resolution authorizing the appointment of professionals in connection with the issuance of its 2006 Transportation System Refunding Bonds for the purpose of refunding certain outstanding bonds of the Authority and new money bonds for the purpose of financing the Authority's Capital Program for its Fiscal Year 2007. A motion to adopt the following resolution authorizing the appointment of professionals was made by Mike Lihvarcik.

**RESOLUTION OF THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
APPOINTING PROFESSIONALS IN CONNECTION WITH THE ISSUANCE OF ITS 2006
TRANSPORTATION SYSTEM REFUNDING AND NEW MONEY BONDS FOR ITS FISCAL
YEAR 2007 CAPITAL PROGRAM**

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 to proceed with the sale and issuance of refunding bonds to refinance certain of its outstanding Transportation System Bonds, and thereby reduce, on a present value basis, the aggregate amount of principal and interest payable on outstanding Transportation System Bonds in order to make more efficient use of the Authority’s and the State’s resources, and a Series of new money bonds to finance its capital program for its fiscal year 2007 (collectively, the “Bonds”); and

WHEREAS, the Authority desires to appoint certain professionals in connection with the issuance and sale of the Bonds.

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

1. **Appointment of Senior Managing Underwriter.**

In consultation with the State Treasurer and based upon a competitive RFP/RFQ process and in accordance with Executive Order 26, the Authority appoints Bear, Stearns & Co. Inc. as senior managing underwriter in connection with the issuance and sale of the Bonds.

2. **Appointment of Financial Advisor.**

In consultation with the State Treasurer and based upon a competitive RFP/RFQ process and in accordance with Executive Order 26, the Authority appoints NW Financial Group, LLC, as financial advisor to the Authority in connection with the issuance of the Bonds.

3. **Acknowledgement of Appointment of Bond Counsel.**

The Authority hereby acknowledges that the Attorney General has appointed the firm of McManimon & Scotland, L.L.C., Newark, New Jersey, as bond counsel to the Authority in accordance with EO 26.

4. **Effective Date.**

This Resolution shall take effect upon its adoption in accordance with the Act.

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

Yeas: 4

Nays: 0

There being no further business coming before the Authority, Executive Director Hanson requested a motion to adjourn the meeting. Robert Briant moved that the May 4, 2006 meeting of the Transportation Trust Fund Authority be adjourned, and Mike Lihvarcik seconded the motion, which was unanimously adopted.

The New Jersey Transportation Trust Fund Authority Meeting ended at approximately 1:34 p.m.

Respectfully submitted,

Mina Tsintzas
Assistant Secretary of the Authority