

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 May 23, 2018 at 2:10 PM (EDT).

The following Authority members were present:

- Diane Gutierrez-Scaccetti, NJTTFA Chairperson, Acting Commissioner, New Jersey Department of Transportation
- Michael Kanef, NJTTFA Treasurer (Director, Office of Public Finance, New Jersey Department of the Treasury / Designee for the Honorable Elizabeth Maher Muoio, New Jersey State Treasurer)
- Gregory Lalevee, NJTTFA Vice Chairperson – [Via Teleconference]
- Robert A. Briant, Jr., NJTTFA Public Member
- Nelson Ferreira, NJTTFA 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
- Kavin Mistry, Deputy Director, NJDOL
- Melissa Bayly, Deputy Attorney General, NJDOL
- David Moore, Deputy Director, Office of Public Finance, New Jersey Department of the Treasury
- Anthony Longo, Senior Manager, Office of Public Finance, New Jersey Department of the Treasury
- Samuel Braun, NJTTFA Comptroller; Division of Budget, NJDOT
- Lewis Daidone, Assistant Commissioner of Finance and Administration, NJDOT
- Nick Hansen, Administrative Analyst 1, NJDOT
- Adam Sternbach, Governor’s Authorities Unit
- Linda Davino, Secretary to the Authority, NJDOT
- Jackie Brown, Assistant Secretary to the Authority, NJDOT
- Tricia Gasparine, Esq., Chiesa Shahinian & Giantomasi PC
- Jacqueline Shanes, Esq., McCarter & English, LLP

- Timothy Egan, Citigroup
- Robert Pattison, Morgan Stanley
- Allison Davidson, Morgan Stanley
- M. Jeremy Ostow, Esq

Chairperson Diane Gutierrez-Scaccetti presided at the meeting and Linda Davino, Authority Secretary, kept the minutes.

Chairperson Diane Gutierrez-Scaccetti convened the meeting at 2:10 PM. She introduced herself 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, 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: Diane Gutierrez-Scaccetti, Gregory Lalevee, Robert A. Briant, Jr., Nelson Ferreira, and Michael Kanef.

After acknowledging that a quorum was present, Chairperson Diane Gutierrez-Scaccetti called the first order of business by requesting that Tricia Gasparine, Esq., Bond Counsel to the Authority, lead a discussion regarding the approval of the Federal Highway Revenue Refunding Note Resolution, which authorizes the issuance of the Authority’s Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A.

Ms. Gasparine stated this Resolution authorizes the issuance of the New Jersey Transportation Trust Fund Authority’s Federal Highway Reimbursement Revenue Refunding

Notes, 2018 Series A (the “2018 Series Notes”), the proceeds of which will be used to refund a portion of the Authority’s Federal Highway Reimbursement Revenue Notes, 2016 Series A (the “2016 Series A Notes”) and pay costs of issuance of the 2018 Series Notes. The 2016 Series A Notes were issued to pay State Transportation System Costs, including capitalized interest associated with the 2016 Series A Notes and to pay costs of issuance of the 2016 Series A Notes. The 2018 Series Notes will be publicly offered as fixed rate notes through a negotiated sale. This Resolution appoints Morgan Stanley & Co. LLC as Senior Managing Underwriter for 2018 Series Notes, and authorizes, among other things, the distribution of a Preliminary Official Statement and a final Official Statement; the execution and delivery of a Note Purchase Contract, First Amendment to Funding Agreement, First Amendment to Omnibus Voucher, Second Supplemental Trust Indenture, Escrow Deposit Agreement and Continuing Disclosure Agreement; and the submission of the Refunding Plan to the Joint Budget Oversight Committee.

Chairperson Diane Gutierrez-Scaccetti asked if anyone had any questions or further discussion and, hearing none, then requested a motion to adopt the resolution entitled: “Federal Highway Reimbursement Revenue Refunding Note Resolution.” Mr. Briant moved to adopt the Resolution (which is appended to these minutes).

The motion was seconded by Mr. Kanef and adopted on a call of roll as follows:

AYE: 5

NAY:

ABSTAIN:

ABSENT: 1

Chairperson Diane Gutierrez-Scaccetti declared said motion carried and said resolution adopted.

For the next order of business, Chairperson Diane Gutierrez-Scaccetti called upon Jacqueline Shanes, Esq., Bond Counsel to the Authority, to lead a discussion regarding the approval of the Thirtieth Supplemental Transportation System Bond Resolution, which authorizes the issuance of the Authority's Transportation System Bonds, 2018 Series A.

Ms. Shanes stated that the Thirtieth Supplemental Transportation System Bond Resolution authorizes the issuance of not to exceed \$1.8 billion of Transportation System Bonds in order to refund outstanding system bonds of the Authority. It approves Citigroup as the senior manager and approves forms of the Bond Purchase Agreement, Preliminary Official Statement, Continuing Disclosure Agreement, Escrow Deposit Agreement and also Fourth Amended and Restated State Contract, which addresses pertinent 2016 constitutional and statutory amendments.

Chairperson Diane Gutierrez-Scaccetti then asked if there would be any further discussion. Hearing none, she requested a motion for the approval of the Thirtieth Supplemental Transportation System Bond Resolution.

Mr. Ferreira moved to adopt the Resolution (which is appended to these minutes). The motion was seconded by Mr. Kanef and adopted on a call of roll as follows:

AYE: 5

NAY:

ABSTAIN:

ABSENT: 1

Chairperson Diane Gutierrez-Scaccetti declared said motion carried and said resolution adopted.

NOTE: The pre-approvals of the Governor and the Treasurer with respect to the Federal Highway Reimbursement Revenue Refunding Note Resolution and the Thirtieth Supplemental Transportation System Bond Resolution are appended to these minutes.

For the next order of business, Chairperson Diane Gutierrez-Scaccetti called upon Anthony Longo, Senior Manager, Office of Public Finance to lead a discussion regarding approval of the resolution authorizing submission to the Joint Budget Oversight Committee of a request for approval in connection with the proposed refunding note issue and bond issue.

Mr. Longo stated pursuant to Section 9(j) of the TTFA Act, the Authority is required to obtain approval from the Joint Budget Oversight Committee to issue refunding bonds. To obtain approval, the Act requires the Authority to submit a “report” to JBOC. The Plan of Finance presented to you at this meeting shall constitute such report. The Plan of Finance requires the authorization from JBOC for the issuance of up to \$1.8 billion of Transportation System Refunding Bonds and \$1.4 billion of Federal Highway Reimbursement Revenue Refunding Notes, commonly referred to as GARVEE notes. At rates as of May 11, 2018, it is anticipated that the proposed System bond refunding will generate approximately \$138 million of net present value savings, and it is also anticipated that the proposed GARVEE note refunding will generate over \$100 million in net present value (“NPV”) savings. Obviously, the NPV savings figures are subject to change based upon market conditions at the time of the bond sales.

While the plan of finance authorizes the potential refunding of any of the TTFA’s System bonds or GARVEE notes, the particular bonds that are being targeted for refunding are the 2007A

and 2008A System bonds and the 2016 A-2 GARVEE notes. The 2007A System bonds are currently callable, so they may be refinanced on a tax-exempt basis at any time. The 2008A System bonds are callable on December 15, 2018, but pursuant to tax law, may be refunded on a tax-exempt basis 90 days prior to that date, which is September 16, 2018. The 2016 A-2 GARVEE notes are callable on June 15, 2018, but may be refunded on a tax-exempt basis at any time as it is now within 90 days of the call date.

The debt service savings on both transactions have been structured to be concentrated in fiscal years 2020 through 2028. The purpose of this structure is to reduce the TTFA's maximum annual debt service which occurs in fiscal year 2020 and remains at that approximate level through 2028, when it begins to step down. This structure will provide additional capacity for transportation projects and future debt service within the resources currently dedicated for transportation purposes.

With regard to the anticipated timing for issuing the bonds, the GARVEE notes do not require State disclosure in the official statement of updated Financial and Other Information Relating to the State as they are solely backed by federal reimbursements. Thus, the GARVEE notes may be refinanced as soon as JBOC approval is obtained. The System bonds are backed by State revenues and require State disclosure, which is typically updated sometime after the adoption of the appropriations act each fiscal year.

If you have any questions with regard to either of the two proposed transactions, I, the other members of the Office of Public Finance, the underwriters (Citigroup and Morgan Stanley) and the bond counsels for both transactions are here and would be happy to address them.

Chairperson Diane Gutierrez-Scaccetti then asked if there would be any further discussion and Mr. Briant stated that the Authority is doing an excellent job for the taxpayers because the refunding bonds will have the same maturity date as the refunded bonds, and the refunding will save the Authority almost a quarter billion dollars.

Mr. Kanef stated that these bond issuances are structured to reduce the overall debt service, particularly in those years where there is a very high level of debt service compared to the projected amount of dedicated resources. There are no guarantees, but the structure is also designed with an eye for maximizing benefit to the Department of Transportation.

Mr. Briant noted that under Appendix I and II of the Plan of Finance the higher rate of the scale is used. The Authority could be fortunate enough that when it sells the refunding notes and bonds, it could be under that high mark and may save even more.

Chairperson Diane Gutierrez-Scaccetti remarked that is possible but it is important to be conservative in making estimates.

Mr. Briant concurred and stated there's a good possibility that it could be better than this, which is outstanding.

Chairperson Diane Gutierrez-Scaccetti then asked if there would be any further discussion. Hearing none, she requested a motion to adopt the resolution authorizing submission of a request for approval in connection with a proposed refunding note issue and bond issue to the Joint Budget Oversight Committee.

Mr. Ferreira moved to adopt the following Resolution:

**RESOLUTION AUTHORIZING THE SUBMISSION TO THE JOINT BUDGET OVERSIGHT
COMMITTEE OF A REQUEST FOR APPROVAL PURSUANT TO SECTIONS 9(j) AND 9(k)
OF THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY ACT OF 1984 IN**

**CONNECTION WITH THE PROPOSED ISSUANCE OF (I) THE NEW JERSEY
TRANSPORTATION TRUST FUND AUTHORITY'S TRANSPORTATION SYSTEM BONDS
TO BE ISSUED UNDER THE THIRTIETH SUPPLEMENTAL TRANSPORTATION SYSTEM
BOND RESOLUTION AND (II) THE NEW JERSEY TRANSPORTATION TRUST FUND
AUTHORITY'S FEDERAL HIGHWAY REIMBURSEMENT REVENUE NOTES TO BE
ISSUED UNDER
THE MASTER TRUST INDENTURE DATED AS OF OCTOBER 26, 2016, BY AND BETWEEN
THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY AND U.S. BANK
NATIONAL ASSOCIATION, AS TRUSTEE, AS AMENDED AND SUPPLEMENTED, AND THE
FEDERAL HIGHWAY REIMBURSEMENT REVENUE REFUNDING NOTE RESOLUTION**

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 Section 9(j) of the Act, upon the decision by the Authority to issue refunding bonds, and prior to the sale of such bonds, the Authority shall transmit to the Joint Oversight Budget Committee (the "Committee") 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; and 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; and

WHEREAS, the Authority has considered the Plan of Finance attached hereto as **Exhibit A** (the “Plan of Finance”) and desires to obtain the Committee’s approval of the sale of (i) its Transportation System Bonds, 2018 Series in an amount not to exceed \$1,800,000,000 in one or more Series at one or more times (collectively the “Bonds”) for the purpose of refunding some or all of the bonds identified in the Plan of Finance and (ii) its Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series in an amount not to exceed \$1,400,000,000 in one or more Series at one or more times (collectively the “Notes”) for the purpose of refunding some or all of the notes identified in the Plan of Finance;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Plan of Finance, in substantially the form presented to this meeting, is hereby approved, and shall constitute the report required to be submitted to the Committee pursuant to Sections 9(j) and 9(k) of the Act, provided that the Chairperson of the Authority, the Vice Chairperson of the Authority or the Executive Director of the Authority (each being, an “Authorized Authority Official”), with the advice of Bond Counsel and the State Attorney General and in consultation with the State Treasurer, is hereby authorized to make such changes, insertions and deletions to the Plan of Finance as may be necessary and appropriate.

2. Any Authorized Authority Official is hereby authorized, in consultation with the State Treasurer, to submit the Plan of Finance to the Committee and to request the Committee’s written approval of the sale of the Bonds and of the Notes, all in accordance with the provisions of Sections 9(j) and 9(k) of the Act.

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

EXHIBIT A

PLAN OF FINANCE

**New Jersey Transportation Trust Fund Authority
Transportation System Bonds
&
Federal Highway Reimbursement Revenue Refunding Notes**

**Plan of Finance
Subject to JBOC Approval**

As required by Section 9(j) of the New Jersey Transportation Trust Fund Authority Act of 1984, as amended (L. 1984, c. 73, as amended) (the “Act”), the New Jersey Transportation Trust Fund Authority (the “TTFA” or the “Authority”) hereby submits this request for approval by the Joint Budget Oversight Committee (“JBOC”) of the sale of (i) Transportation System Bonds, and (ii) Federal Highway Reimbursement Revenue Refunding Notes, for the purpose of refunding, either on a current or forward basis, or both, with tax-exempt bonds, or on an advance basis with taxable bonds, all or a portion of the TTFA’s outstanding Transportation System Bonds, as described in Appendix I attached hereto, and its outstanding Federal Highway Reimbursement Revenue Notes, as described in Appendix II attached hereto. This request, together with Appendices I and III attached hereto, shall constitute the “report” required to be submitted to JBOC pursuant to Section 9(j) of the Act in connection with the proposed sale of the Transportation System Bonds as described herein, and this request, together with Appendices II and IV attached hereto, shall constitute the “report” required to be submitted to JBOC pursuant to Section 9(j) of the Act in connection with the proposed sale of the Federal Highway Reimbursement Revenue Refunding Notes as described herein.

I. Refunding Overview

The TTFA has decided to issue up to \$3,200,000,000 of refunding bonds and notes in one or more series, comprised of up to \$1,800,000,000 of Transportation System Bonds (the “Refunding Bonds”) and up to \$1,400,000,000 of Federal Highway Reimbursement Revenue Refunding Notes (the “Refunding Notes”), at one time or from time to time, which may include tax-exempt bonds and taxable bonds. It is anticipated that the sale and issuance of the Refunding Bonds will not occur at the same time as the sale and issuance of the Refunding Notes. The size of each refunding transaction will be dependent upon market conditions at the time of the respective sale. The requested approval by JBOC would authorize the TTFA to select all or a portion of the outstanding bonds described in Appendix I and all or a portion of the outstanding notes described in Appendix II for refunding and to determine the amount and structure of the Refunding Bonds to be sold and the amount and structure of the Refunding Notes to be sold, based upon market conditions existing at or prior to the respective sale. Subject to JBOC approval, the TTFA will proceed with each sale, subject to the requirements of Section 9(o) of the Act, N.J.S.A. 27:1B-9(o), which states 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, except that, for the purposes of this limitation, present value shall 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.

For more information on the proposed sale of the Refunding Bonds and the proposed sale of the Refunding Notes, please see the information in Section III below, “Candidates for Bonds and Notes to be Refunded”. For the reasons described herein, the TTFA has determined that the Refunding Bonds and the Refunding Notes will each be sold on a negotiated basis.

The following pages set forth (1) the various structures that are available to effectuate the refunding transactions, and (2) the TTFA’s objectives and constraints in structuring the refunding transactions. Enclosed with this report as Appendix III and Appendix IV, respectively, are estimated results of the proposed refunding of certain outstanding Transportation System Bonds and the proposed refunding of certain Federal Highway Reimbursement Revenue Notes, based on interest rates as of May 11, 2018. Also enclosed with this report as Appendix V is a summary of the TTFA’s aggregate debt service requirements, both before and after the execution of the refunding transactions.

II. Refunding Structures

Prior refunding issues approved by JBOC have consisted of either a current, advance or forward refunding. The refunding structures currently expected to be used will involve the issuance of fixed rate bonds to current, advance and/or forward refund certain outstanding bonds and notes. Below is a synopsis of refunding structures that the TTFA may implement to effectuate the refundings.

Current Refunding: The TTFA sells refunding bonds and/or notes to defease outstanding obligations (the “refunded debt”) whose payment date or next succeeding call date is within 90 days of the date of issuance of the refunding issue. Proceeds of the refunding issues are deposited into escrows, and invested in certain “Federal Securities” for the Refunding Bonds (as defined in the Authority’s General Bond Resolution) and invested in certain “Defeasance Securities” for the Refunding Notes (as defined in the Authority’s Notes Master Trust Indenture), all of which will pay the principal of, interest on and redemption premium (if any) on the refunded debt on the payment or call date. On the redemption or maturity date, the holders of the refunded debt are paid in full from the escrows.

Advance Refunding: Similar to a current refunding, except that the first call date or payment date on the bonds to be defeased is more than 90 days from the date of issuance of the Refunding Bonds or Refunding Notes. Additionally, under current tax law, advance refundings are required to be issued on a taxable basis. Proceeds of the refunding issues are deposited into escrows, and invested in certain “Federal

Securities” for the Refunding Bonds (as defined in the Authority’s General Bond Resolution) and invested in certain “Defeasance Securities” for the Refunding Notes (as defined in the Authority’s Notes Master Trust Indenture), all of which will pay the principal of, interest on and redemption premium (if any) on the refunded debt prior to and at the call or maturity dates.

Forward Refunding: Similar to a current refunding, except that the TTFA pays an interest rate premium corresponding to the length of time between the Refunding Bonds or Refunding Notes sale and the 90-day window prior to the first call date or payment date on the bonds or notes to be defeased. Proceeds of the refunding issues are deposited into escrows as cash, “Federal Securities” or “Defeasance Securities” (securities cannot be purchased on a forward basis; securities must be purchased, if at all, at closing of the bond issue) which will pay the principal of, interest on and redemption premium (if any) on the refunded bonds prior to and at the call or maturity date.

III. Candidates for Bonds and Notes to be Refunded

Individual maturities (or portions of such maturities) of bonds will be selected for the respective refunding transaction from the outstanding bonds listed in Appendix I and from the outstanding notes listed in Appendix II to meet the objectives set forth above, subject to the constraints set forth in the Section I hereof and any federal tax law requirements. If Refunding Bonds or Refunding Notes are issued in more than one series, the respective present value savings calculation will be made on an aggregate basis.

IV. Refunding Transactions

The TTFA currently anticipates entering into refunding transactions similar to those described in Appendix III and Appendix IV. The objectives of the refundings are (i) to provide net present value savings and/or (ii) to provide savings in Fiscal Years 2020-2028 in order to reduce the overall maximum annual debt service of the TTFA. In connection with these refunding transactions, the TTFA will require that the final maturity of each series of Refunding Bonds or Refunding Notes, as applicable, occurs no later than the final maturity date of the bonds to be refunded or the notes to be refunded, as applicable. As required pursuant to Section 9(o) of the Act, N.J.S.A 27:1B-9(o), it is anticipated that the TTFA will receive net present value savings from each refunding transaction.

V. Negotiated Sale Rationale

It is the intent of the TTFA to pursue a negotiated sale of the Refunding Bonds and a negotiated sale of the Refunding Notes due to each transaction’s complex financing structure and large issue size, and volatile market conditions.

Appendices

Appendix I:	Summary of Refunding Candidates: Transportation System Bonds
Appendix II:	Summary of Refunding Candidates: Federal Highway Reimbursement Revenue Notes
Appendix III:	Estimated Financing Statistics: Transportation System Bonds
Appendix IV	Estimated Financing Statistics: Federal Highway Reimbursement Revenue Notes
Appendix V:	Estimated Aggregate Debt Service Requirements Prior to and Following the Proposed Refundings

Appendix I. Summary of Refunding Candidates: Transportation System Bonds

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

Transportation System Bonds

Summary of Refunding Candidates

Prepared May 11, 2018

Bond Series	Maturity Date	Interest Rate	Principal Amount	First Call Date	First Call Price
1999 Series A	6/15/2018	5.750%	\$31,825,000	N/A	N/A
	6/15/2019	5.750%	33,655,000	N/A	N/A
	6/15/2020	5.750%	35,590,000	N/A	N/A
			<u>\$101,070,000</u>		
2001 Series C	12/15/2018	5.500%	\$38,215,000	N/A	N/A
			<u>\$38,215,000</u>		
2003 Series B	12/15/2018	4.000%	\$15,825,000	N/A	N/A
	12/15/2018	5.000%	15,825,000	N/A	N/A
	12/15/2018	4.000%	8,100,000	N/A	N/A
	12/15/2018	5.000%	50,000,000	N/A	N/A
	12/15/2019	5.250%	46,675,000	N/A	N/A
	12/15/2019	5.250%	46,675,000	N/A	N/A
			<u>\$183,100,000</u>		
2004 Series A	6/15/2023	5.750%	\$33,850,000	N/A	N/A
	6/15/2024	5.750%	35,795,000	N/A	N/A
	6/15/2025	5.750%	37,850,000	N/A	N/A
			<u>\$107,495,000</u>		
2005 Series B	12/15/2019	5.500%	\$50,000,000	N/A	N/A
	12/15/2019	5.250%	49,470,000	N/A	N/A
	12/15/2020	5.500%	207,930,000	N/A	N/A
	12/15/2021	5.500%	219,430,000	N/A	N/A
	12/15/2022	5.250%	83,480,000	N/A	N/A
	12/15/2023	5.250%	73,230,000	N/A	N/A
			<u>\$683,540,000</u>		
2006 Series A	12/15/2019	5.250%	\$62,045,000	N/A	N/A
	12/15/2020	5.250%	270,970,000	N/A	N/A
	12/15/2020	4.375%	16,725,000	N/A	N/A
	12/15/2020	5.250%	100,000,000	N/A	N/A
	12/15/2021	5.500%	150,765,000	N/A	N/A
	12/15/2021	5.250%	159,000,000	N/A	N/A
	12/15/2021	5.250%	99,195,000	N/A	N/A
	12/15/2022	5.500%	322,350,000	N/A	N/A
	12/15/2022	5.250%	200,000,000	N/A	N/A
	12/15/2022	4.250%	14,055,000	N/A	N/A
	12/15/2022	5.250%	7,075,000	N/A	N/A
	12/15/2023	5.500%	110,400,000	N/A	N/A
	12/15/2023	5.250%	62,000,000	N/A	N/A
	12/15/2023	5.250%	2,205,000	N/A	N/A
			<u>\$1,576,785,000</u>		

Bond Series	Maturity Date	Interest Rate	Principal Amount	First Call Date	First Call Price
2006 Series C (CABs)	12/15/2024	4.930%	\$100,670,499	N/A	N/A
	12/15/2025	4.960%	110,705,252	N/A	N/A
	12/15/2026	4.980%	104,990,056	N/A	N/A
	12/15/2027	5.000%	99,531,495	N/A	N/A
	12/15/2028	5.000%	94,734,509	N/A	N/A
	12/15/2029	5.010%	89,963,876	N/A	N/A
	12/15/2030	5.020%	85,416,518	N/A	N/A
	12/15/2031	5.030%	81,082,542	N/A	N/A
	12/15/2032	5.040%	76,953,299	N/A	N/A
	12/15/2033	5.050%	73,020,137	N/A	N/A
	12/15/2034	5.050%	69,467,603	N/A	N/A
	12/15/2035	5.050%	66,088,082	N/A	N/A
	12/15/2036	5.050%	62,872,924	N/A	N/A
			<u>\$1,115,496,792</u>		
2007 Series A	12/15/2023	5.000%	\$40,020,000	12/15/2017	100%
	12/15/2024	5.000%	42,070,000	12/15/2017	100%
	12/15/2025	5.000%	44,230,000	12/15/2017	100%
	12/15/2026	5.000%	46,500,000	12/15/2017	100%
	12/15/2027	5.000%	48,880,000	12/15/2017	100%
	12/15/2028	5.000%	51,390,000	12/15/2017	100%
	12/15/2029	5.000%	54,025,000	12/15/2017	100%
	12/15/2030	5.000%	56,795,000	12/15/2017	100%
	12/15/2031	5.000%	59,705,000	12/15/2017	100%
	12/15/2032	5.000%	62,770,000	12/15/2017	100%
	12/15/2033	5.000%	65,990,000	12/15/2017	100%
	12/15/2034	5.000%	69,370,000	12/15/2017	100%
	12/15/2035	4.750%	72,835,000	12/15/2017	100%
	12/15/2036	4.750%	76,380,000	12/15/2017	100%
	12/15/2037	4.750%	80,095,000	12/15/2017	100%
			<u>\$871,055,000</u>		
2008 Series A	12/15/2023	5.250%	\$40,660,000	12/15/2018	100%
	12/15/2024	5.375%	25,000,000	12/15/2018	100%
	12/15/2025	5.375%	25,000,000	12/15/2018	100%
	12/15/2026	5.625%	18,995,000	12/15/2018	100%
	12/15/2027	5.625%	18,995,000	12/15/2018	100%
	12/15/2028	5.625%	19,095,000	12/15/2018	100%
	12/15/2029	5.750%	16,665,000	12/15/2018	100%
	12/15/2030	5.750%	16,665,000	12/15/2018	100%
	12/15/2031	5.750%	16,670,000	12/15/2018	100%
	12/15/2032	5.875%	32,350,000	12/15/2018	100%
	12/15/2032	5.500%	27,745,000	12/15/2018	100%
	12/15/2032	6.000%	40,405,000	12/15/2018	100%
	12/15/2033	5.875%	34,350,000	12/15/2018	100%
	12/15/2033	5.500%	29,460,000	12/15/2018	100%
	12/15/2033	6.000%	68,740,000	12/15/2018	100%
	12/15/2034	5.875%	36,500,000	12/15/2018	100%
	12/15/2034	5.500%	31,285,000	12/15/2018	100%
	12/15/2034	6.000%	72,995,000	12/15/2018	100%
	12/15/2035	5.875%	11,650,000	12/15/2018	100%
	12/15/2035	5.500%	10,000,000	12/15/2018	100%
	12/15/2035	6.000%	23,335,000	12/15/2018	100%
	12/15/2036	5.875%	11,650,000	12/15/2018	100%
	12/15/2036	5.500%	10,000,000	12/15/2018	100%
	12/15/2036	6.000%	22,560,000	12/15/2018	100%
	12/15/2037	5.875%	11,650,000	12/15/2018	100%

Bond Series	Maturity Date	Interest Rate	Principal Amount	First Call Date	First Call Price
	12/15/2037	5.500%	10,000,000	12/15/2018	100%
	12/15/2038	5.875%	36,850,000	12/15/2018	100%
	12/15/2038	5.500%	31,510,000	12/15/2018	100%
			<u>\$750,780,000</u>		
2008 Series A (CABs)	12/15/2023	6.120%	\$13,306,260	Any Date	MWC + 25bps
	12/15/2024	6.190%	7,510,200	Any Date	MWC + 25bps
	12/15/2025	6.240%	32,666,860	Any Date	MWC + 25bps
	12/15/2028	6.420%	16,882,800	Any Date	MWC + 25bps
	12/15/2035	6.720%	39,256,488	Any Date	MWC + 25bps
	12/15/2036	6.750%	22,045,778	Any Date	MWC + 25bps
	12/15/2037	6.750%	65,899,020	Any Date	MWC + 25bps
	12/15/2038	6.750%	52,432,233	Any Date	MWC + 25bps
			<u>\$249,999,638</u>		
2009 Series A (CABs)	12/15/2032	6.230%	\$20,742,316	Any Date	MWC + 30bps
	12/15/2033	6.290%	9,575,344	Any Date	MWC + 30bps
	12/15/2034	6.320%	8,888,976	Any Date	MWC + 30bps
	12/15/2036	6.370%	947,318	Any Date	MWC + 30bps
	12/15/2038	6.400%	32,466,187	Any Date	MWC + 30bps
	12/15/2039	6.400%	70,110,782	Any Date	MWC + 30bps
			<u>\$142,730,924</u>		
2009 Series B (BABs)	12/15/2039	6.875%	<u>\$273,500,000</u>	6/15/2019	100%
			<u>\$273,500,000</u>		
2009 Series C	6/15/2027	5.250%	\$23,580,000	12/15/2024	100%
	6/15/2028	5.250%	25,685,000	12/15/2024	100%
	6/15/2030	5.250%	31,220,000	12/15/2024	100%
	6/15/2031	5.250%	33,545,000	12/15/2024	100%
	6/15/2032	5.250%	35,970,000	12/15/2024	100%
			<u>\$150,000,000</u>		
2009 Series D	6/15/2027	5.000%	\$27,385,000	12/15/2024	100%
	6/15/2028	5.000%	28,365,000	12/15/2024	100%
	6/15/2030	5.000%	29,505,000	12/15/2024	100%
	6/15/2031	5.000%	30,570,000	12/15/2024	100%
	6/15/2032	5.000%	31,675,000	12/15/2024	100%
			<u>\$147,500,000</u>		
2010 Series A (CABs)	12/15/2025	5.850%	\$33,189,147	Any Date	MWC + 30bps
	12/15/2026	5.950%	49,370,975	Any Date	MWC + 30bps
	12/15/2027	5.980%	46,412,410	Any Date	MWC + 30bps
	12/15/2028	6.000%	42,815,039	Any Date	MWC + 30bps
	12/15/2029	6.050%	40,791,286	Any Date	MWC + 30bps
	12/15/2030	6.080%	38,302,721	Any Date	MWC + 30bps
	12/15/2031	6.100%	36,021,839	Any Date	MWC + 30bps
	12/15/2032	6.100%	3,703,470	Any Date	MWC + 30bps
	12/15/2033	6.180%	13,671,350	Any Date	MWC + 30bps
	12/15/2034	6.230%	12,708,230	Any Date	MWC + 30bps
	12/15/2036	6.250%	11,183,305	Any Date	MWC + 30bps
	12/15/2037	6.250%	7,742,506	Any Date	MWC + 30bps
	12/15/2040	6.250%	23,341,082	Any Date	MWC + 30bps
			<u>\$359,253,361</u>		
2010 Series B (BABs)	12/15/2040	6.561%	<u>\$500,000,000</u>	Any Date	MWC + 30bps
			<u>\$500,000,000</u>		

Bond Series	Maturity Date	Interest Rate	Principal Amount	First Call Date	First Call Price
2010 Series C (BABs)	12/15/2024	5.754%	\$133,390,000	Any Date	MWC + 35bps
	12/15/2024	6.104%	98,590,000	12/15/2020	100%
	12/15/2025	5.754%	104,295,000	Any Date	MWC + 35bps
	12/15/2025	6.104%	77,090,000	12/15/2020	100%
	12/15/2026	5.754%	107,985,000	Any Date	MWC + 35bps
	12/15/2026	6.104%	79,815,000	12/15/2020	100%
	12/15/2027	5.754%	112,370,000	Any Date	MWC + 35bps
	12/15/2027	6.104%	83,060,000	12/15/2020	100%
	12/15/2028	5.754%	116,960,000	Any Date	MWC + 35bps
	12/15/2028	6.104%	86,445,000	12/15/2020	100%
			<u>\$1,000,000,000</u>		
2010 Series D	12/15/2018	5.000%	\$63,600,000	N/A	N/A
	12/15/2019	3.000%	475,000	N/A	N/A
	12/15/2022	3.500%	1,355,000	N/A	N/A
	12/15/2023	5.000%	105,000,000	N/A	N/A
	12/15/2023	5.250%	180,280,000	N/A	N/A
	12/15/2024	4.000%	5,000,000	N/A	N/A
	12/15/2024	5.000%	89,200,000	N/A	N/A
			<u>\$444,910,000</u>		
2011 Series A	6/15/2018	5.000%	\$10,090,000	N/A	N/A
	6/15/2018	4.000%	1,920,000	N/A	N/A
	6/15/2019	5.000%	11,750,000	N/A	N/A
	6/15/2019	4.000%	840,000	N/A	N/A
	6/15/2020	5.000%	10,155,000	N/A	N/A
	6/15/2020	4.000%	3,060,000	N/A	N/A
	6/15/2021	5.000%	8,880,000	N/A	N/A
	6/15/2021	4.250%	4,965,000	N/A	N/A
	6/15/2022	5.000%	14,500,000	6/15/2021	100%
	6/15/2023	5.000%	15,225,000	6/15/2021	100%
	6/15/2024	5.250%	15,985,000	6/15/2021	100%
	6/15/2025	5.250%	16,825,000	6/15/2021	100%
	6/15/2026	5.000%	17,705,000	6/15/2021	100%
	6/15/2027	5.000%	18,590,000	6/15/2021	100%
	6/15/2028	5.125%	19,520,000	6/15/2021	100%
	6/15/2029	5.125%	20,520,000	6/15/2021	100%
	6/15/2030	5.250%	21,575,000	6/15/2021	100%
	6/15/2031	5.250%	22,705,000	6/15/2021	100%
	6/15/2032	6.000%	23,900,000	6/15/2021	100%
	6/15/2033	6.000%	25,335,000	6/15/2021	100%
	6/15/2034	6.000%	26,855,000	6/15/2021	100%
	6/15/2035	6.000%	28,465,000	6/15/2021	100%
	6/15/2036	5.500%	30,170,000	6/15/2021	100%
	6/15/2037	5.500%	31,830,000	6/15/2021	100%
	6/15/2038	5.500%	33,580,000	6/15/2021	100%
	6/15/2039	5.500%	35,430,000	6/15/2021	100%
	6/15/2040	5.500%	37,375,000	6/15/2021	100%
	6/15/2041	5.500%	39,435,000	6/15/2021	100%
			<u>\$547,185,000</u>		
2011 Series B	6/15/2018	5.000%	\$24,795,000	N/A	N/A
	6/15/2019	3.150%	10,320,000	N/A	N/A
	6/15/2019	5.000%	15,715,000	N/A	N/A
	6/15/2020	5.000%	27,145,000	N/A	N/A
	6/15/2021	4.000%	2,935,000	N/A	N/A
	6/15/2021	5.000%	25,570,000	N/A	N/A

Bond Series	Maturity Date	Interest Rate	Principal Amount	First Call Date	First Call Price
	6/15/2022	5.250%	29,900,000	6/15/2021	100%
	6/15/2023	5.250%	31,470,000	6/15/2021	100%
	6/15/2024	4.000%	3,310,000	6/15/2021	100%
	6/15/2024	5.250%	29,815,000	6/15/2021	100%
	6/15/2025	4.125%	12,085,000	6/15/2021	100%
	6/15/2025	5.250%	22,735,000	6/15/2021	100%
	6/15/2026	5.250%	36,510,000	6/15/2021	100%
	6/15/2027	5.500%	38,430,000	6/15/2021	100%
	6/15/2028	5.500%	40,540,000	6/15/2021	100%
	6/15/2029	5.500%	42,770,000	6/15/2021	100%
	6/15/2030	5.500%	45,125,000	6/15/2021	100%
	6/15/2031	5.500%	47,605,000	6/15/2021	100%
	6/15/2032	5.250%	50,225,000	6/15/2021	100%
	6/15/2033	5.250%	52,860,000	6/15/2021	100%
	6/15/2034	5.250%	55,635,000	6/15/2021	100%
	6/15/2035	5.250%	58,560,000	6/15/2021	100%
	6/15/2036	5.250%	61,630,000	6/15/2021	100%
	6/15/2037	5.000%	64,870,000	6/15/2021	100%
	6/15/2038	5.000%	68,110,000	6/15/2021	100%
	6/15/2039	5.000%	71,515,000	6/15/2021	100%
	6/15/2040	5.000%	75,090,000	6/15/2021	100%
	6/15/2041	5.000%	78,845,000	6/15/2021	100%
	6/15/2042	5.000%	82,790,000	6/15/2021	100%
				\$1,206,905,000	
2012 Series A	6/15/2038	5.000%	\$39,840,000	6/15/2022	100%
	6/15/2039	5.000%	66,450,000	6/15/2022	100%
	6/15/2040	5.000%	69,775,000	6/15/2022	100%
	6/15/2041	5.000%	73,265,000	6/15/2022	100%
	6/15/2042	5.000%	76,925,000	6/15/2022	100%
			\$326,255,000		
2013 Series A	6/15/2018	3.000%	\$260,000	N/A	N/A
	6/15/2018	4.000%	9,800,000	N/A	N/A
	6/15/2018	5.000%	74,300,000	N/A	N/A
	12/15/2018	5.000%	7,575,000	N/A	N/A
	12/15/2019	3.000%	1,035,000	N/A	N/A
	12/15/2019	4.000%	9,095,000	N/A	N/A
	12/15/2019	5.000%	128,365,000	N/A	N/A
	6/15/2020	3.000%	550,000	N/A	N/A
	6/15/2020	4.000%	2,670,000	N/A	N/A
	6/15/2020	5.000%	128,355,000	N/A	N/A
	12/15/2023	4.000%	4,115,000	N/A	N/A
	6/15/2024	5.000%	10,330,000	N/A	N/A
			\$376,450,000		
2013 Series B	12/15/2018	1.758%	\$250,000,000	N/A	N/A
			\$250,000,000		
TOTAL			\$11,402,225,716		

Appendix II. Summary of Refunding Candidates: Federal Highway Reimbursement Revenue Notes

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

Federal Highway Reimbursement Revenue Notes

Summary of Refunding Candidates

Prepared May 11, 2018

Bond Series	Maturity Date	Interest Rate	Principal Amount	First Call Date	First Call Price
2006 Series A (GANs)	6/15/2018	5.000%	<u>\$14,150,000</u> \$14,150,000	6/15/2016	100%
2016 Sub-Series A-1	6/15/2019	5.000%	\$186,515,000	N/A	N/A
	6/15/2020	5.000%	195,840,000	N/A	N/A
	6/15/2021	5.000%	55,635,000	N/A	N/A
	6/15/2022	5.000%	65,915,000	N/A	N/A
	6/15/2023	5.000%	76,710,000	N/A	N/A
	6/15/2024	5.000%	88,045,000	N/A	N/A
	6/15/2025	5.000%	7,225,000	N/A	N/A
	6/15/2027	5.000%	265,225,000	6/15/2026	100%
	6/15/2028	5.000%	200,315,000	6/15/2026	100%
	6/15/2029	5.000%	100,000,000	6/15/2026	100%
	6/15/2030	5.000%	100,000,000	6/15/2026	100%
	6/15/2031	4.100%	<u>100,000,000</u> \$1,441,425,000	6/15/2026	100%
2016 Sub-Series A-2	6/15/2021	5.000%	\$150,000,000	6/15/2018	100%
	6/15/2022	5.000%	150,000,000	6/15/2018	100%
	6/15/2023	5.000%	150,000,000	6/15/2018	100%
	6/15/2024	5.000%	150,000,000	6/15/2018	100%
	6/15/2028	5.000%	78,175,000	6/15/2018	100%
	6/15/2029	5.000%	192,410,000	6/15/2018	100%
	6/15/2030	5.000%	207,030,000	6/15/2018	100%
	6/15/2031	5.000%	<u>222,385,000</u> \$1,300,000,000	6/15/2018	100%
2016 Series B	6/15/2025	2.870%	\$242,725,000	Any Date	MWC + 25bps
	6/15/2026	3.090%	<u>257,275,000</u> \$500,000,000	Any Date	MWC + 25bps
TOTAL			\$3,255,575,000		

Appendix III. Estimated Financing Statistics: Transportation System Bonds

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

Transportation System Bonds

Estimated Financing Statistics

Prepared May 11, 2018

Fiscal Year	Prior Debt Service	Refunding Debt Service	Annual Savings	PV Savings to Delivery @ 4.217%
6/30/2019	\$86,101,006	\$86,091,706	\$9,300	\$891,557
6/30/2020	86,101,006	76,767,000	9,334,006	8,795,592
6/30/2021	86,101,006	76,767,000	9,334,006	8,436,088
6/30/2022	86,101,006	76,767,000	9,334,006	8,091,278
6/30/2023	86,101,006	76,767,000	9,334,006	7,760,562
6/30/2024	164,713,181	116,820,000	47,893,181	38,530,320
6/30/2025	147,311,731	115,126,750	32,184,981	24,826,650
6/30/2026	145,970,481	118,138,875	27,831,606	20,594,350
6/30/2027	138,761,122	114,723,375	24,037,747	17,063,554
6/30/2028	137,688,153	133,183,875	4,504,278	3,047,693
6/30/2029	136,720,122	136,677,375	42,747	4,885
6/30/2030	133,273,581	133,229,375	44,206	5,310
6/30/2031	132,314,844	132,274,625	40,219	2,401
6/30/2032	131,358,963	131,320,250	38,713	1,137
6/30/2033	211,787,406	211,747,125	40,281	5,768
6/30/2034	237,031,606	237,008,250	23,356	2,123
6/30/2035	237,253,850	237,239,750	14,100	3,323
6/30/2036	136,020,125	136,007,375	12,750	3,393
6/30/2037	132,634,981	132,629,375	5,606	695
6/30/2038	108,162,463	108,153,500	8,963	1,852
6/30/2039	70,308,994	70,299,625	9,369	4,037
TOTAL	\$2,831,816,634	\$2,657,739,206	\$174,077,428	\$138,072,568

Appendix IV. Estimated Financing Statistics: Federal Highway Reimbursement Revenue Notes

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

Federal Highway Reimbursement Revenue Notes

Estimated Financing Statistics

Prepared May 11, 2018

Fiscal Year	Prior Debt Service	Refunding Debt Service	Annual Savings	PV Savings to Delivery @ 3.780%
6/30/2019	\$65,000,000	\$64,994,418	\$5,583	\$91,826
6/30/2020	65,000,000	64,991,500	8,500	51,924
6/30/2021	215,000,000	176,351,250	38,648,750	34,636,459
6/30/2022	207,500,000	168,850,500	38,649,500	33,350,355
6/30/2023	200,000,000	161,348,250	38,651,750	32,112,591
6/30/2024	192,500,000	192,493,750	6,250	5,009
6/30/2025	35,000,000	34,999,000	1,000	778
6/30/2026	35,000,000	34,999,000	1,000	749
6/30/2027	35,000,000	34,999,000	1,000	722
6/30/2028	113,175,000	113,164,000	11,000	7,581
6/30/2029	223,501,250	223,490,750	10,500	6,968
6/30/2030	228,500,750	228,500,750	-	-
6/30/2031	233,504,250	233,504,250	-	-
TOTAL	\$1,848,681,250	\$1,732,686,418	\$115,994,833	\$100,264,963

Appendix V. Estimated Aggregate Debt Service Requirements Prior to and Following the Proposed Refundings

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

Transportation System Bonds & Federal Highway Reimbursement Revenue Notes

Summary of Aggregate Annual Net Debt Service Requirements (All Programs' Debt Service Requirements)

Prepared May 11, 2018

Fiscal Year	Aggregate Debt Service Before Refundings	System Bonds Savings	GARVEEs Savings	Aggregate Annual Savings	Aggregate Debt Service After Refundings
6/30/2019	\$1,662,432,053	\$9,300	\$5,583	\$14,883	\$1,662,417,169
6/30/2020	1,721,487,611	9,334,006	8,500	9,342,506	1,712,145,105
6/30/2021	1,721,519,983	9,334,006	38,648,750	47,982,756	1,673,537,227
6/30/2022	1,721,485,043	9,334,006	38,649,500	47,983,506	1,673,501,536
6/30/2023	1,721,486,511	9,334,006	38,651,750	47,985,756	1,673,500,755
6/30/2024	1,721,363,743	47,893,181	6,250	47,899,431	1,673,464,311
6/30/2025	1,694,261,164	32,184,981	1,000	32,185,981	1,662,075,183
6/30/2026	1,689,895,474	27,831,606	1,000	27,832,606	1,662,062,868
6/30/2027	1,686,051,878	24,037,747	1,000	24,038,747	1,662,013,131
6/30/2028	1,666,519,123	4,504,278	11,000	4,515,278	1,662,003,845
6/30/2029	1,593,723,214	42,747	10,500	53,247	1,593,669,967
6/30/2030	1,384,781,594	44,206	-	44,206	1,384,737,387
6/30/2031	1,385,071,298	40,219	-	40,219	1,385,031,080
6/30/2032	1,047,691,549	38,713	-	38,713	1,047,652,837
6/30/2033	1,025,704,709	40,281	-	40,281	1,025,664,428
6/30/2034	1,051,375,919	23,356	-	23,356	1,051,352,563
6/30/2035	1,052,082,200	14,100	-	14,100	1,052,068,100
6/30/2036	1,083,580,413	12,750	-	12,750	1,083,567,663
6/30/2037	1,051,325,281	5,606	-	5,606	1,051,319,675
6/30/2038	1,029,488,988	8,963	-	8,963	1,029,480,025
6/30/2039	1,089,185,944	9,369	-	9,369	1,089,176,575
6/30/2040	1,168,323,938	-	-	-	1,168,323,938
6/30/2041	1,045,622,825	-	-	-	1,045,622,825
6/30/2042	331,101,575	-	-	-	331,101,575
6/30/2043	163,400,625	-	-	-	163,400,625
6/30/2044	163,402,650	-	-	-	163,402,650
6/30/2045	40,836,500	-	-	-	40,836,500
6/30/2046	40,834,500	-	-	-	40,834,500
TOTAL	\$32,754,036,303	\$174,077,428	\$115,994,833	\$290,072,261	\$32,463,964,041

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

AYE: 5

NAY:

ABSTAIN:

ABSENT: 1

Chairperson Diane Gutierrez-Scaccetti declared said motion carried and said resolution adopted.

There being no further business coming from the Authority, Chairperson Diane Gutierrez-Scaccetti requested a motion to adjourn the meeting. Mr. Briant moved that the May 23, 2018 meeting of the New Jersey Transportation Trust Fund Authority be adjourned. Mr. Kanef seconded the motion, which was carried by unanimous vote.

The May 23, 2018 meeting of the New Jersey Transportation Trust Fund Authority ended at approximately 2:30 PM.

Respectfully Submitted,

Linda M. Davino

Secretary of the Authority

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

FEDERAL HIGHWAY REIMBURSEMENT REVENUE REFUNDING NOTE RESOLUTION

Adopted May 23, 2018

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NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

FEDERAL HIGHWAY REIMBURSEMENT REVENUE REFUNDING NOTE RESOLUTION

Adopted May 23, 2018

W I T N E S S E T H

WHEREAS, the Authority (as hereinafter defined) was established and exists pursuant to the Act (as hereinafter defined); 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, pursuant to the Act, the Authority has the power, among others, to issue notes in anticipation of the receipt of appropriations, grants, reimbursements or other funds, including without limitation grants from the federal government for federal aid highways or public transportation systems, the principal of or interest on which, or both, shall be payable out of the proceeds of appropriations, grants, reimbursements or other funds, including without limitation grants from the federal government for federal aid highways or public transportation systems, which notes shall not be subject to the bonding limitations as provided in Section 9(i) of the Act; and

WHEREAS, in order to provide funds to finance State Transportation System Costs (as hereinafter defined), the Authority expects to issue notes from time to time including, without limitation, Federal Highway Reimbursement Revenue Notes payable from and secured by certain federal highway reimbursement funds received by NJDOT (as defined herein) pursuant to Title 23 of the United States Code (as more specifically described herein, the "Federal Highway Reimbursement Revenues"); and

WHEREAS, in order to provide funds to finance eligible projects under Title 23 of the United States Code ("Federal Projects"), the Authority may also issue Federal Highway Grant Anticipation Revenue Notes, payable from and secured by certain federal highway transportation funds received by NJDOT pursuant to Title 23 of the United States Code (as more specifically described herein, the "Federal Highway Grant Revenues"); and

WHEREAS, on November 2, 2016, the Authority issued its Federal Highway Reimbursement Revenue Notes, 2016 Series A, consisting of \$1,441,425,000 Federal Highway Reimbursement Revenue Notes, 2016 sub-Series A-1 (the "2016 Series A-1 Notes") and \$1,300,000,000 Federal Highway Reimbursement Revenue Notes, 2016 sub-Series A-2 (the "2016 Series A-2 Notes" and, together with the 2016 Series A-1 Notes, the "2016 Series A Notes") and \$500,000,000 Federal Highway Reimbursement Revenue Notes, 2016 Series B (the "2016 Series B Notes" and, together with the 2016 Series A Notes, the "2016 Series Notes"); and

WHEREAS, the 2016 Series Notes were issued in order to pay State Transportation

System Costs, including capitalized interest on the 2016 Series Notes, and to pay costs associated with the issuance of the 2016 Series Notes; and

WHEREAS, pursuant to the authority granted to the Authority under the Act, the Authority now wishes to authorize the issuance of Federal Highway Reimbursement Revenue Refunding Notes in one or more Series (as more particularly described herein, the “2018 Series Notes”) in order to refund a portion of the 2016 Series A Notes and to pay costs associated with the issuance of the 2018 Series Notes, and to authorize other actions in connection therewith, all as hereinafter set forth.

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

ARTICLE I AUTHORITY AND DEFINITIONS

1.1. Authority for this Note Resolution.

This Federal Highway Reimbursement Revenue Refunding Note Resolution (the “Note Resolution”) is adopted pursuant to the provisions of the Act.

1.2. Definitions.

All capitalized terms used herein and not otherwise defined shall have the same meanings, respectively, in this Note Resolution as such terms are given in the Master Trust Indenture (as hereinafter defined).

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

“Act” means 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.

“Authority” means 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, political subdivision or other instrumentality of the State which shall hereafter succeed to the powers, duties and functions thereof.

“Authorized Authority Representative” means the Chairperson of the Authority, the Vice Chairperson of the Authority, the Executive Director of the Authority or the Treasurer of the Authority.

“Bond Counsel” means Chiesa Shahinian & Giantomasi PC 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.

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

the 2018 Series Notes.

“Escrow Agent” means U.S. Bank National Association, a national banking association, and its successors and permitted assigns, as Trustee for the 2016 Series A Notes.

“First Amendment to Funding Agreement” means the First Amendment to Funding Agreement to be executed by the Authority and the Commissioner of the New Jersey Department of Transportation as authorized pursuant to Section 2.2.

“First Amendment to Omnibus Voucher” means the First Amendment to Omnibus Voucher to be executed by the Acting Director of the Division of Budget and Accounting in the New Jersey Department of the Treasury, as approved pursuant to Section 2.3.

“Funding Agreement” means the Reimbursement Revenue Funding Agreement dated as of October 26, 2016, by and between the Authority and the Commissioner of the New Jersey Department of Transportation, as amended and supplemented, including by the First Amendment to Funding Agreement.

“Indenture” means the Master Trust Indenture, as amended and supplemented, including by the Second Supplemental Indenture.

“Master Trust Indenture” means the Master Trust Indenture dated as of October 26, 2016, by and between the Authority and the Trustee.

“NJDOT” means the New Jersey Department of Transportation.

“Note Purchase Contract” means the Note Purchase Contract to be executed and delivered by the Authority and the Senior Managing Underwriter, as representative of the Underwriters, as authorized pursuant to Section 3.6(b).

“Omnibus Voucher” means the Omnibus Voucher dated November 2, 2016, executed by the Acting Director of the Division of Budget and Accounting in the New Jersey Department of the Treasury, pursuant to and in accordance with N.J.S.A. 27:1A-7, as amended and supplemented, including by the First Amendment to Omnibus Voucher.

“Redemption Price” means, with respect to any 2018 Series Note, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Note or the Indenture.

“Rule 15c2-12” means 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” means Morgan Stanley & Co. LLC in its capacity as the senior managing underwriter for the 2018 Series Notes.

“Second Supplemental Indenture” means the Second Supplemental Trust Indenture(s) to be executed and delivered by the Authority and the Trustee as authorized pursuant to Section 2.1.

“State” means the State of New Jersey.

“State Attorney General” means the Attorney General of the State.

“State Transportation System Costs” means any and all purposes for which the Authority is authorized to issue Notes and Subordinate Debt pursuant to the Act.

“Taxable Notes” means any Notes which are not Tax-Exempt Notes and the interest on which is includable in the gross income of the owners thereof for federal income tax purposes.

“Tax-Exempt Notes” means any Notes the interest on which is, in an unqualified opinion of Bond Counsel rendered simultaneously with the issuance and delivery of such Notes, to be excludable from the gross income of the owners thereof for federal income tax purposes.

“Trustee” means U.S. Bank National Association, a national banking association, and its successors and permitted assigns, as Trustee under the Indenture.

“2018 Series Notes” or **“2018 Series A Notes”** means New Jersey Transportation Trust Fund Authority, Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A, authorized pursuant to Section 3.2, in an aggregate principal amount which shall not exceed \$1,400,000,000. In the event that an Authorized Authority Representative shall determine to issue the 2018 Series A Notes in more than one sub-Series as provided in Section 3.4, the term “2018 Series A Notes” shall be deemed to refer to each such additional sub-Series.

“2016 Series A Notes to be Refunded” means any or all or any portion of the Authority’s Outstanding 2016 Series A Notes, the principal of and/or interest on which shall be refunded with proceeds of the 2018 Series Notes as shall be determined in the Second Supplemental Indenture.

“Underwriters” means the underwriters named in the Note Purchase Contract for the 2018 Series Notes pursuant to Section 3.6.

Unless expressly provided to the contrary, all Article and section references are to the Articles and sections of this Note Resolution.

ARTICLE II

AUTHORIZATION OF SECOND SUPPLEMENTAL INDENTURE

2.1. Authorization of Form of Second Supplemental Indenture.

The form of the Second Supplemental Indenture presented to this meeting is hereby approved for execution by the Authority, provided that an Authorized Authority Representative 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 such form as may be necessary or appropriate. In order to make certain determinations and other actions relating to the issuance of the 2018 Series Notes as hereinafter provided, an Authorized Authority Representative, with the advice of Bond Counsel and the State Attorney General, is hereby authorized and directed to execute and deliver the Second Supplemental Indenture to be dated not later than the date of issuance of the 2018 Series Notes.

2.2. Authorization of First Amendment to Funding Agreement.

In order to secure and provide a source of payment for the 2018 Series Notes, the First Amendment to Funding Agreement, in substantially the form presented to this meeting, is hereby approved for execution by the Authority, provided that an Authorized Authority Representative 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 such form as may be necessary or appropriate. An Authorized Authority Representative, with the advice of Bond Counsel and the State Attorney General, is hereby authorized and directed to execute and deliver the First Amendment to Funding Agreement to be dated not later than the date of issuance of the Series of 2018 Series Notes.

2.3. Approval of First Amendment to Omnibus Voucher.

The First Amendment to Omnibus Voucher, in substantially the form presented to this meeting, is hereby approved, provided that an Authorized Authority Representative is hereby authorized, with the advice of Bond Counsel and the State Attorney General, to approve such changes, insertions and deletions to and omissions from such form as may be necessary or appropriate.

ARTICLE III AUTHORIZATION OF 2018 SERIES NOTES

3.1. Maximum Principal Amount, Designation, Series and Other Details.

Pursuant to the provisions of the Act and the Indenture, one or more Series of Federal Highway Reimbursement Revenue Refunding Notes entitled to the benefit, protection and security of such provisions are hereby authorized to be issued in an aggregate principal amount not exceeding \$1,400,000,000. The 2018 Series Notes shall be designated as "Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A." The 2018 Series Notes may also be issued and sold in one or more sub-Series as may be provided in the Second Supplemental Indenture.

3.2. 2018 Series A Notes.

The 2018 Series A Notes shall be publicly offered as hereinafter provided. The 2018 Series A Notes shall be issued as Tax-Exempt Notes and/or Taxable Notes, shall be dated as of such date, shall mature on such dates and in such principal amounts, shall bear interest from their date at such fixed 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 Representative in the Second Supplemental Indenture; provided, however, that in no event shall (i) the final maturity of any 2018 Series A Notes be later than June 15, 2031, (ii) the maximum true interest cost on the 2018 Series A Notes shall not exceed seven and one-half percent (7.50%) per annum; and (iii) the Redemption Price for any 2018 Series A Note shall not exceed one hundred three percent (103%) of the principal amount of such 2018 Series A Note; provided further that the Redemption Price of any 2018 Series A Note issued as a Taxable Note and subject to optional redemption by the Authority pursuant to a "make-whole" provision may exceed one hundred three percent (103%) of the principal amount of such 2018 Series A Note if so determined by an Authorized Authority Representative in the Second Supplemental Indenture.

3.3. Reserved.

3.4. Additional Series of 2018 Series Notes.

If an Authorized Authority Representative, in consultation with Bond Counsel and the State Attorney General, so determines, the 2018 Series A Notes may be issued in more than one Series or sub-Series, and each such Series or sub-Series may be sold and issued on separate dates, provided that the maximum aggregate principal amount of all 2018 Series Notes issued under this Note Resolution shall not exceed amount set forth in Section 3.1, and the final maturity, the stated interest rate per annum and Redemption Prices of any such additional Series or sub-Series shall be in compliance with the requirements of Section 3.2. For all purposes of this Note Resolution, the term “2018 Series A Notes” shall be deemed to apply to any such additional Series issued pursuant to this Section 3.4.

3.5. Purpose.

The 2018 Series Notes shall be issued pursuant to the Indenture for the purposes of (a) refunding a portion of the 2016 Series A Notes, and (b) paying costs associated with the issuance of the 2018 Series Notes.

3.6. Authorization of Negotiated Sale of 2018 Series A Notes; Appointment of Parties; Approval of Note Purchase Contract; Selection of Manager and Underwriters.

(a) In accordance with Executive Order No. 26 (Whitman 1994) (“Executive Order No. 26”), the Authority hereby determines to sell the 2018 Series A Notes pursuant to a negotiated public offering and sale and finds that a negotiated sale is permissible as a result of the complex financing structure, large issue size and volatile interest rate conditions. Upon recommendation of the Treasurer based upon the New Jersey Department of the Treasury’s (“Treasury”) competitive RFP process and in accordance with Executive Order No. 26, the Authority hereby appoints Morgan Stanley & Co. LLC as Senior Managing Underwriter in connection with the 2018 Series A Notes herein authorized and, upon recommendation of the Treasurer based upon Treasury’s competitive RFP process and in accordance with Executive Order No. 26, an Authorized Authority Representative is hereby authorized to select additional co-senior managers and co-managers for the 2018 Series A Notes. All such appointment(s) shall be evidenced by the execution of the Note Purchase Contract.

(b) The purchase of the 2018 Series A Notes by the Underwriters and the sale of the 2018 Series A Notes 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 Note Purchase Contract for the 2018 Series A Notes in substantially the form presented to this meeting. The Note Purchase Contract, in substantially the form presented to this meeting, is hereby approved, provided that an Authorized Authority Representative 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 such form as may be necessary or appropriate. The Authorized Authority Representatives are each hereby authorized and directed, in consultation with Bond Counsel and the State Attorney General, to negotiate the terms of the Note Purchase Contract, to be dated the date of sale of the 2018 Series A Notes; provided, however, that (i) the amount of the compensation to be paid to the Underwriters shall not exceed \$7.00 per \$1,000.00 of the 2018 Series A Notes, and (ii) the aggregate principal amount, the final maturity date or dates, the stated interest rate or rates and the redemption

price of the 2018 Series A Notes shall not exceed the limitations set forth in Sections 3.1 and 3.2.

3.7. Reserved.

3.8. Approval of the Preliminary Official Statement.

A Preliminary Official Statement (the “Preliminary Official Statement”) relating to the sale of the 2018 Series A Notes, in substantially the form presented to this meeting, is hereby approved, provided that an Authorized Authority Representative 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 2018 Series A Notes. An Authorized Authority Representative 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 Note Purchase Contract, that “deems final” the Preliminary Official Statement relating to the 2018 Series A Notes 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.

3.9. 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 Representative in connection with the sale of the 2018 Series A Notes, with such changes, insertions, deletions and omissions in such Preliminary Official Statement as the Authorized Authority Representative printing and distributing the same shall approve, with the advice of Bond Counsel and the State Attorney General, is hereby authorized. Any Authorized Authority Representative is further authorized and directed to take all such other actions as such Authorized Authority Representative shall deem necessary or desirable to effect the issuance and sale of the 2018 Series A Notes.

3.10. Approval of Continuing Disclosure Agreement.

A Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) relating to the sale of the 2018 Series A Notes in substantially the form presented to this meeting, is hereby approved, provided that an Authorized Authority Representative 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 2018 Series A Notes. The Authorized Authority Representatives are hereby authorized and directed, with the advice of the Bond Counsel and State Attorney General, to enter into and execute the Continuing Disclosure Agreement with the Trustee, as dissemination agent, relating to the 2018 Series A Notes 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.

3.11. Authorization of Submission of Refunding Plan to JBOC.

The refunding plan relating to the 2016 Series A Notes to be Refunded and the 2018 Series Notes (the “Refunding Plan”) in substantially the form presented to this meeting, is

hereby approved, provided that an Authorized Authority Representative 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 Refunding Plan as may be necessary or appropriate. The Authorized Authority Representatives are hereby authorized and directed to submit the Refunding Plan to the Joint Budget Oversight Committee ("JBOC") for its approval and to take any and all actions and to execute any documents required in connection therewith. The issuance of the 2018 Series A Notes shall be subject to and conditioned upon the approval of JBOC in accordance with the Act.

3.12. Additional Proceedings.

As additional proceedings of the Authority in connection with the sale, issuance and delivery of the 2018 Series Notes hereby authorized, there is hereby delegated to the Authorized Authority Representatives the power to take the following actions and make the following determinations as to the 2018 Series Notes by executing and delivering the Second Supplemental Indenture(s):

(a) To determine, subject to the provisions of this Note Resolution, whether the 2018 Series Notes shall be issued as Tax-Exempt Notes and/or Taxable Notes, the appropriate Series designation, 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 2018 Series Notes, and any other provisions necessary to comply with the Master Trust Indenture or deemed necessary or advisable by such Authorized Authority Representative and which provisions are not in conflict with or in substitution for the provisions of the Master Trust Indenture, this Note Resolution or the Act; provided that the aggregate principal amount, the final maturity date or dates, the maximum true interest cost and the Redemption Price of such 2018 Series Notes do not exceed the limitations set forth in Sections 3.1 and 3.2.

(b) To acknowledge receipt of prior approval letters of the Governor of the State (the "Governor") and the Treasurer as required by Section 9(a) of the Act approving the adoption by the Authority of this Note Resolution and the issuance of the 2018 Series Notes.

(c) To file with the Trustee copies of this Note Resolution, the Master Trust Indenture, the Second Supplemental Indenture and the Funding Agreement, each certified by an Authorized Authority Representative, along with an opinion of Bond Counsel, which filing is required by Section 206 of the Master Trust Indenture.

(d) To execute a final Official Statement of the Authority, dated the date of sale of the 2018 Series A Notes, substantially in the form of the Preliminary Official Statement, with such insertions, revisions, deletions and omissions as may be authorized by the Authorized Authority Representative executing the same, with the advice of Bond Counsel and the State Attorney General, and to deliver such final Official Statement to the Underwriters, in hard copy and/or electronic format, and to authorize the use of such final Official Statement and the information contained therein in connection with the offering and sale the 2018 Series A Notes.

(e) To determine the application of the proceeds of the 2018 Series Notes in accordance with the provisions of Section 3.5.

(f) To purchase one or more policies of municipal bond insurance with respect to any or all of the 2018 Series Notes if an Authorized Authority Representative 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 Second Supplemental Indenture such provisions relating to the municipal bond insurance policy or policies as such Authorized Authority Representative, with the advice of Bond Counsel and the State Attorney General, deems appropriate and to include on the form of any 2018 Series Note 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 2018 Series Notes.

(g) To enter into an Escrow Deposit Agreement with respect to the 2016 Series A Notes to be Refunded (the "Escrow Agreement") substantially in the form submitted at this meeting with such changes, insertions and omissions as shall be approved by an Authorized Authority Representative, with the advice of Bond Counsel and the State Attorney General, to provide for the defeasance and refunding of such 2016 Series A Notes to be Refunded.

(h) To purchase, or cause the Escrow Agent to purchase, United States Treasury Obligations, State and Local Government Series, with proceeds from any 2018 Series Notes issued to refund the 2016 Series A Notes to be Refunded.

(i) To select and appoint a firm to serve as bidding agent, upon recommendation of the Treasurer based on Treasury's competitive RFP process, to solicit bids and to enter into or purchase Defeasance Securities (as defined in Sections 101 and 801 of the Master Trust Indenture) with proceeds of the 2018 Series A Notes, in the event that such Authorized Authority Representative determines that it is necessary or advantageous to the Authority to invest any such proceeds in Defeasance Securities.

(j) If necessary or appropriate, to execute and deliver any agreement, including a forward float or other similar agreement, relating to the purchase of the Defeasance Securities for deposit in the Escrow Fund established under the Escrow Agreement.

(k) To authorize the electronic posting of the Official Statement on the State's website, upon the request of the Treasurer or her designee.

(l) In connection with any of the transactions authorized by this Note Resolution, to make such amendments, modifications and revisions to this Note Resolution prior to or simultaneously with the issuance of the 2018 Series Notes as (i) may be requested by any Rating Agency in connection with obtaining a rating on the 2018 Series Notes from such Rating Agency, (ii) may be requested by the issuer of any municipal bond insurance policy in connection with obtaining a municipal bond insurance policy for any of the 2018 Series Notes or (iii) such Authorized Authority Representative may determine, in consultation with the State Attorney General and Bond Counsel, are necessary or advisable in order to (1) reflect the actual provisions of the Master Trust Indenture that shall be applicable to the 2018 Series Notes or (2) facilitate the issuance and sale of the 2018 Series Notes; provided, however, that (A) the provisions of Sections 3.1 and 3.2 relating to the maximum aggregate principal amount, maximum true interest cost, final maturity date or dates and Redemption Price of the 2018 Series Notes shall not be so amended, modified or revised, and (B) no such amendments, modifications or revisions shall be inconsistent with the provisions of the Master Trust Indenture.

(m) 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 2018 Series Notes and which are not inconsistent with the provisions of this Note Resolution, the Master Trust Indenture or the Act.

(n) To prepare, execute and submit an application for one or more ratings by the Rating Agencies for the 2018 Series Notes, and to include in the Second Supplemental Indenture such provisions relating to the rating(s) as an Authorized Authority Representative, 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 2018 Series Notes.

(o) To submit an excerpt of the minutes of the meeting of the Authority at which this Note Resolution was adopted to the Governor as required pursuant to Section 4(g) of the Act, and to receive, on behalf of the Authority, an approval letter from the Governor, if delivered to the Authority, of said excerpt as it relates to all actions taken by the Authority in connection with the issuance and sale of the 2018 Series Notes.

(p) To sell and/or issue the 2018 Series Notes on one or more dates,

(q) To negotiate, execute, deliver and perform the Note Purchase Contract in connection with the negotiated sale of the related 2018 Series A Notes.

Any and all actions heretofore taken by the Authorized Authority Representatives in connection with the issuance of the 2018 Series Notes are hereby ratified. All matters determined by an Authorized Authority Representative under the authority of this Note Resolution shall constitute and be deemed matters incorporated into this Note Resolution and approved by the Authority, and whenever an Authorized Authority Representative is authorized, directed or delegated the power to take or refrain from taking any action pursuant to this Note 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 Representative 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 Representative are valid and binding.

3.13. Denomination, Numbers and Letters.

The 2018 Series Notes shall be issued in fully registered form in the denominations as set forth in the Second Supplemental Indenture. Unless the Authority shall otherwise direct, the 2018 Series Notes shall be lettered and numbered from one upward preceded by the letter "R" prefixed to the number. Subject to the provisions of the Indenture, the form of the 2018 Series Notes and the Trustee's Certificate of Authentication thereon shall be substantially in the form set forth in Exhibit A-1 of the Master Trust Indenture.

3.14. Book-Entry Only System.

1. Except as provided in subparagraph (3) of this Section 3.13, the registered Holder of all of the 2018 Series Notes shall be, and the 2018 Series Notes shall be registered in the name of, Cede & Co., as nominee of DTC. With respect to the 2018 Series Notes for which Cede & Co. shall be the registered Holder, payment of interest on such 2018 Series Notes shall be made by wire transfer of same day funds to the account of Cede & Co. on the Interest Payment Dates for the 2018 Series Notes at the address indicated for Cede & Co. in the registration books of the Authority kept by the Trustee, as Bond Registrar.

2. The 2018 Series Notes of each Series shall be initially issued in the form of a separate fully registered note in the amount of each separate maturity. Upon initial issuance, the ownership of each such 2018 Series Note shall be registered on the registration books of the Authority kept by the Trustee in the name of Cede & Co. With respect to 2018 Series Notes 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 2018 Series Note. 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 2018 Series Note, (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 2018 Series Note, 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 2018 Series Note. The Authority and the Trustee may treat DTC as, and deem DTC to be, the absolute registered Holder of each 2018 Series Note for the purpose of (i) payment of the principal of, redemption premium, if any, and interest on each such 2018 Series Note, (ii) giving notices with respect to the 2018 Series Note, (iii) registering transfers with respect to a 2018 Series Note and (iv) for all other purposes whatsoever. The Trustee shall pay the principal of, redemption premium, if any, and interest on each 2018 Series Note 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 2018 Series Note evidencing the obligation of the Authority to make payments of principal and interest thereon pursuant to this Note 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 Note 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 2018 Series Notes 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 2018 Series Notes, in which event certificates for such 2018 Series Notes shall be printed and delivered to DTC, and (ii) shall terminate the services of DTC with respect to a particular Series of the 2018 Series Notes 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 2018 Series Notes of such Series to the effect, that (A) DTC is unable to discharge its responsibilities with respect to such 2018 Series Notes or (B) a continuation of the requirement that all of the Outstanding 2018 Series Notes 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 2018 Series Notes of such Series.

(c) Upon the termination of the services of DTC with respect to the 2018 Series Notes of a Series pursuant to subsection 3.13(3)(b)(ii)(A) hereof, or upon the

discontinuance or termination of the services of DTC with respect to the 2018 Series Notes of such Series pursuant to subsection 3.13(3)(a) or 3.13(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 2018 Series Notes 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 2018 Series Notes transferring or exchanging such 2018 Series Notes shall designate, in accordance with the provisions of the Indenture. Upon the determination by any party authorized herein that the 2018 Series Notes 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 2018 Series Notes from such book-entry only form to a fully registered form.

4. Notwithstanding any other provision of this Note Resolution to the contrary, so long as any 2018 Series Note 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 2018 Series Note 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 2018 Series Notes.

5. In connection with any notice or other communication to be provided to Holders of the 2018 Series Notes of any Series pursuant to the Indenture 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 Representative, 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.

3.15. Application of Proceeds of the 2018 Series Notes.

The proceeds of each Series of the 2018 Series Notes shall be applied as set forth in the Second Supplemental Indenture, subject to the following provisions:

(a) In the event an Authorized Authority Representative determines to purchase one or more policies of municipal bond insurance and/or commitments for municipal bond insurance as authorized pursuant to Section 3.12(f), 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 Second Supplemental Indenture constituting the premium for such policy or policies;

(b) There shall be established pursuant to the Second Supplemental Indenture, a 2018 Series Cost of Issuance Account within the Costs of Issuance Fund established under the Master Trust Indenture for each sub-Series of the 2018 Series Notes, provided that a single Costs of Issuance Account may be established for one or more sub-Series that are issued on the same date. There shall be deposited into each such 2018 Series Cost of Issuance Account

such amount as shall be set forth in the Second Supplemental Indenture to be applied to the payment of costs of issuance of the 2018 Series Notes;

(c) There shall be established pursuant to the Second Supplemental Indenture, a 2018 Series A Debt Service Account.

ARTICLE IV MISCELLANEOUS

4.1. Appointment of Fiduciaries.

U.S. Bank National Association, a national banking association, having a corporate trust office in Morristown, New Jersey ("U.S. Bank"), is hereby appointed as Trustee and Paying Agent under the Indenture. In the event that U.S. Bank shall fail to accept its appointment as such Trustee and Paying Agent for any reason, any Authorized Authority Representative is hereby authorized to appoint another entity meeting the requirements set forth in the Master Trust Indenture. U.S. Bank is hereby appointed as Escrow Agent for the 2016 Series A Notes to be Refunded.

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

The Authorized Authority Representatives 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 2018 Series Notes 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.

ARTICLE V EFFECTIVE DATE

5.1. Effective Date.

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

SECOND SUPPLEMENTAL TRUST INDENTURE

between

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION

as Trustee

Dated as of _____, 2018

Relating to

New Jersey Transportation Trust Fund Authority
Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A

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Exhibit A – Form of 2018 Series A Note
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THIS SECOND SUPPLEMENTAL TRUST INDENTURE (the "Second Supplemental Indenture"), dated as of _____, 2018, made and entered into by and between the NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY (the "Authority"), a body corporate and politic constituting an instrumentality of the State of New Jersey (the "State"), created and existing under and by virtue of the New Jersey Transportation Trust Fund Authority Act of 1984, L. 1984, c. 73, as amended and supplemented (the "Act"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, having a corporate trust office in Morristown, New Jersey, as trustee (the "Trustee");

W I T N E S S E T H

WHEREAS, the Authority was established and exists pursuant to 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 the State's transportation system and that unless additional State funding is provided immediately for the State'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, pursuant to the Act, the Authority has the power, among others, to issue notes in anticipation of the receipt of appropriations, grants, reimbursements or other funds, including without limitation grants from the federal government for federal aid highways or public transportation systems, the principal of or interest on which, or both, shall be payable out of the proceeds of appropriations, grants, reimbursements or other funds, including without limitation grants from the federal government for federal aid highways or public transportation systems, which notes shall not be subject to the bonding limitations as provided in Section 9(i) of the Act; and

WHEREAS, in order to provide funds to finance State Transportation System Costs, the Authority expects to issue notes from time to time including, without limitation, Federal Highway Reimbursement Revenue Notes payable from and secured by certain Federal Highway Reimbursement Revenues received by the New Jersey Department of Transportation ("NJDOT") pursuant to Title 23 of the United States Code; and

WHEREAS, in order to provide funds to finance eligible projects under Title 23 of the United States Code ("Federal Projects"), the Authority may also issue Federal Highway Grant Anticipation Revenue Notes, payable from and secured by certain Federal Highway Grant Revenues; and

WHEREAS, this Second Supplemental Indenture, supplements the Master Trust Indenture, dated as of October 26, 2016 (the "Master Trust Indenture"), between the Authority and the Trustee; and

WHEREAS, the execution and delivery by the Authority of this Second Supplemental Indenture, and the issuance of the 2018 Series Notes (as hereinafter defined) have been authorized pursuant to a Federal Highway Reimbursement Revenue Refunding Note Resolution duly adopted by the Authority on May 23, 2018 (the "Note Resolution"); and

WHEREAS, the Trustee has accepted the trusts created by the Master Trust Indenture and this Second Supplemental Indenture and in evidence thereof has joined in the execution thereof and hereof.

NOW THEREFORE, THIS SECOND SUPPLEMENTAL INDENTURE WITNESSETH:

ARTICLE I

DEFINITIONS AND CERTAIN RULES OF INTERPRETATION

Section 101. Definitions.

Capitalized terms used but not defined herein shall have the meanings given to them in the Master Trust Indenture. In addition to the foregoing, the following terms shall have the meanings set forth below:

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated _____, 2018, by and between the Authority and the Trustee, as Dissemination Agent.

“Escrow Agreement” means the Escrow Deposit Agreement, dated _____, 2018, by and between the Authority and the Trustee, as Escrow Agent.

“Escrow Fund” means the special, irrevocable fund established pursuant to the Escrow Agreement.

“First Amendment to Funding Agreement” means the First Amendment to Funding Agreement to be executed by the Authority and the Commissioner.

“First Amendment to Omnibus Voucher” means the First Amendment to Omnibus Voucher to be executed by the Acting Director of the Division of Budget and Accounting in the New Jersey Department of the Treasury.

“Funding Agreement” means the Reimbursement Revenue Funding Agreement dated as of October 26, 2016, by and between the Authority and the Commissioner of the New Jersey Department of Transportation, as amended and supplemented, including by the First Amendment to Funding Agreement.

“Official Statement” means the Official Statement dated _____, 2018, delivered in connection with the offering and sale of the 2018 Series A Notes.

“Purchase Contract” shall have the meaning given to such term in Section 305 of this Second Supplemental Indenture.

“Record Date” with respect to the 2018 Series Notes means the fifteenth (15th) day next preceding each Payment Date.

“2018 Series A Notes” or **“2018 Series Notes”** means the Authority’s Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A as described in Article III of this Second Supplemental Indenture.

“2016 Series A Notes to be Refunded” means the Authority’s Outstanding Federal Highway Reimbursement Revenue Notes, 2016 sub-Series A-2 as described on **Exhibit C** hereto.

Reference herein to an Article number (*e.g.*, Article VI) or a Section number (*e.g.*, Section 702) shall be construed to be a reference to the designated Article number or Section number of this Second Supplemental Indenture unless the context or use clearly indicates another or different meaning or intent.

ARTICLE II

SECOND SUPPLEMENTAL INDENTURE; PURPOSES; ACKNOWLEDGEMENT OF PRIOR APPROVAL LETTERS

Section 201. Second Supplemental Indenture.

This Second Supplemental Indenture is entered into pursuant to and in accordance with Section 205 and Section 1101 of the Master Trust Indenture and the delegation of authority contained in the Note Resolution in connection with the issuance of the 2018 Series Notes.

Section 202. Purposes of 2018 Series Notes.

The 2018 Series Notes shall be issued for the purposes of (a) refunding the 2016 Series A Notes to be Refunded, and (b) paying costs associated with the issuance of the 2018 Series Notes.

Section 203. Acknowledgement of Receipt of Prior Approval Letters.

The Authority hereby acknowledges receipt of prior approval letters from the Governor of the State and the Treasurer as required by Section 9(a) of the Act approving the adoption by the Authority of the Note Resolution authorizing the issuance of the 2018 Series Notes.

Section 204. Forms of 2018 Series Notes.

The 2018 Series Notes shall be issued in the form set forth in Exhibit A.

ARTICLE III

THE 2018 SERIES A NOTES

Section 301. Details of 2018 Series A Notes.

The 2018 Series A Notes shall be Indirect GARVEE Notes and shall be designated "New Jersey Transportation Trust Fund Authority Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A." The 2018 Series A Notes shall be issued in the aggregate principal amount of \$_____ and shall be dated their date of delivery. The 2018 Series A Notes shall be issued in fully registered form in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof. The 2018 Series A Notes shall mature on June 15 in each of the years and in the principal amounts, and shall bear interest at the rates per annum, as follows:

Year ()	Principal Amount	Interest Rate

Interest on the 2018 Series A Notes shall be payable on June 15 and December 15 of each year, commencing December 15, 2018 (each an "Interest Payment Date"), until maturity or prior redemption.

Section 302. Optional Redemption of 2018 Series A Notes.

The 2018 Series A Notes maturing on or after June 15, 2027 are subject to optional redemption prior to maturity at the option of the Authority, at any time on or after June 15, 2026, either in whole or in part, from maturities, and, where applicable, interest rates within maturities, selected by the Authority at a Redemption Price equal to 100% of the principal amount of the 2018 Series A Notes being redeemed, plus accrued interest thereon to the redemption date.

Amounts may be deposited by the Authority, in its sole discretion in the 2018 Series A Debt Service Account with respect to the 2018 Series A Notes of any maturity to be applied by the Trustee, if so directed in writing by the Authority, on the date specified by the Authority, which date shall be at least twenty-five (25) days (or such shorter period as shall be acceptable to the Trustee) prior to the maturity date or any Redemption Date of any such 2018 Series A Notes, to (i) the purchase of such 2018 Series A Notes or (ii) the redemption of such 2018 Series A Notes, if then redeemable by their terms. All purchases of any 2018 Series A Notes pursuant to this Section 302 shall be made at prices not exceeding the applicable principal or Redemption Price of such 2018 Series A Notes plus accrued interest, and such purchases shall be made by the Trustee as directed in writing from time to time by the Authority.

Section 303. Notice of Redemption.

When the Trustee shall receive written notice from the Authority of its election or direction to redeem 2018 Series A Notes, the Trustee shall give notice, in the name of the Authority, of the redemption of such 2018 Series A Notes, which notice shall specify the Series and maturities (and, if applicable, interest rate within a maturity) of the 2018 Series A Notes 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 2018 Series A Notes of any like maturity are to be redeemed, the letters and numbers or other distinguishing marks of such 2018 Series A Notes to be redeemed, and, in the case of 2018 Series A Notes 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 2018 Series A Note to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of 2018 Series A Notes 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 2018 Series A Notes or portions of 2018 Series A Notes which are to be redeemed, at their last addresses, if any, appearing upon the Note Register. Failure of the registered owner of any 2018 Series A Notes which are to be redeemed to receive any notice shall not affect the validity of the proceedings for the redemption of the 2018 Series A Notes.

Notwithstanding the foregoing, so long as any 2018 Series A Notes are registered in Book Entry Form, the Trustee shall pay all principal or Redemption Price of and interest on such 2018 Series A Notes only to Cede & Co. as shown in the Note Register kept by the Trustee, and all such payments shall be valid and effective to fully discharge the Authority's obligations with respect to payment of principal or Redemption Price of and interest on such 2018 Series A Notes to the extent so paid.

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 2018 Series A Notes 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 304. Selection of 2018 Series A Notes to be Redeemed.

If less than all of the 2018 Series A Notes of like maturity (and interest rate within a maturity, if applicable), shall be called for prior redemption, the particular 2018 Series A Notes or portions of 2018 Series A Notes 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 2018 Series A Note 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 2018 Series A Notes for redemption, the Trustee shall treat each such 2018 Series A Note as representing that number of 2018 Series A Notes of \$5,000 denomination which is obtained by dividing by \$5,000 the principal amount of such 2018 Series A Note to be redeemed in part.

Section 305. Award of 2018 Series A Notes.

Pursuant to and in accordance with the Note Resolution, the Authority hereby authorizes the execution, delivery and performance of the Note Purchase Contract, dated the date hereof (the "Purchase Contract"), between the Authority and the Underwriters named therein (the "Underwriters"). Pursuant to the Purchase Contract, the 2018 Series A Notes are hereby awarded to the Underwriters at an aggregate purchase price of \$_____, constituting the par amount of the 2018 Series A Notes, [plus net original issue premium] [less net original issue discount] in the amount of \$_____, less an Underwriters' Discount in the amount of \$_____.

Section 306. Continuing Disclosure Agreement.

Pursuant to and in accordance with the Note Resolution, the Authority hereby authorizes the execution, delivery and performance of the Continuing Disclosure Agreement in connection with the issuance and sale of the 2018 Series A Notes, dated the date hereof, between the Authority and the Dissemination Agent named therein.

Section 307. Final Official Statement.

The Authority hereby approves the execution of the final Official Statement of the Authority relating to the 2018 Series A Notes, and such Official Statement is authorized for distribution by the Underwriters for use in connection with the offering and sale of the 2018 Series A Notes.

Section 308. Escrow Deposit Agreement.

Pursuant to and in accordance with the Note Resolution, the Authority hereby authorizes the execution, delivery and performance of the Escrow Agreement in connection with the issuance and sale of the 2018 Series A Notes and the refunding of the 2016 Series A Notes to be Refunded, dated the date hereof, between the Authority and the Trustee, as Escrow Agent named therein.

Section 309. First Amendment to Funding Agreement.

Pursuant to and in accordance with the Note Resolution and Section 206(c) of the Master Trust Indenture, the Authority hereby authorizes the execution, delivery and performance of the First Amendment to Funding Agreement in connection with the issuance and sale of the 2018 Series A Notes, dated the date hereof, between the Authority and the Commissioner of the New Jersey Department of Transportation.

Section 310. First Amendment to Omnibus Voucher.

The Authority hereby approves the First Amendment to Omnibus Voucher relating to the 2018 Series A Notes.

ARTICLE IV

RESERVED

ARTICLE V

APPLICATION OF PROCEEDS OF 2018 SERIES NOTES

Section 501. Creation of Accounts.

The following Accounts are hereby created in connection with the issuance of the 2018 Series Notes:

- (a) Within the Costs of Issuance Fund, a 2018 Series A Costs of Issuance Account; and
- (b) Within the Indirect GARVEE Debt Service Fund, a 2018 Series A Debt Service Account.

Section 502. Application of Proceeds of 2018 Series A Notes.

The proceeds from the issuance and sale of the 2018 Series A Notes shall be applied as follows:

- (a) \$_____ shall be deposited to the 2018 Series A Costs of Issuance Account within the Costs of Issuance Fund; and
- (b) \$_____ shall be paid to the Escrow Agent for deposit into the Escrow Fund established pursuant to the Escrow Agreement and applied as set forth therein.

Section 503. Reserved.

Section 504. Costs of Issuance.

Amounts on deposit in the 2018 Series A Costs of Issuance Account shall be applied to pay costs of issuance of the 2018 Series Notes as set forth on **Exhibit B** annexed hereto.

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Second Supplemental Indenture to be executed by their respective duly authorized officers as of the date first above written.

**NEW JERSEY TRANSPORTATION TRUST
FUND AUTHORITY**

By: _____
Gary Brune
Executive Director

U.S. BANK NATIONAL ASSOCIATION

By: _____
Paul D. O'Brien
Vice President

EXHIBIT A

Form of 2018 Series A Note

EXHIBIT B

Costs of Issuance

EXHIBIT C

2016 Series A Notes to be Refunded

FIRST AMENDMENT TO
REIMBURSEMENT REVENUE FUNDING AGREEMENT
DATED AS OF OCTOBER 26, 2016

by and between

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

and

THE COMMISSIONER OF THE NEW JERSEY DEPARTMENT OF TRANSPORTATION

Dated as of _____, 2018

Securing

New Jersey Transportation Trust Fund Authority
Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A

THIS FIRST AMENDMENT TO REIMBURSEMENT REVENUE FUNDING AGREEMENT, dated as of _____, 2018 (the "First Amendment"), is made by and between the New Jersey Transportation Trust Fund Authority (the "Authority"), a body corporate and politic constituting an instrumentality of the State of New Jersey (the "State"), created and existing under and by virtue of the New Jersey Transportation Trust Fund Authority Act of 1984, L. 1984, c. 73, as amended and supplemented (the "Act"), and the Commissioner (the "Commissioner") of the New Jersey Department of Transportation (the "NJDOT").

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 the State's transportation system that will enable the State to construct and maintain the safe, balanced, sound and efficient transportation system necessary for the well-being of the State's citizens and that unless additional State funding is provided immediately for the State'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, pursuant to the Act, the Authority has the power, among others, to issue notes in anticipation of the receipt of appropriations, grants, reimbursements or other funds, including without limitation grants from the federal government for federal aid highways or public transportation systems, the principal of or interest on which, or both, shall be payable out of the proceeds of appropriations, grants, reimbursements or other funds, including without limitation grants from the federal government for federal aid highways or public transportation systems, which notes shall not be subject to the bonding limitations as provided in Section 9(i) of the Act; and

WHEREAS, in order to provide funds to finance State Transportation System Costs, on November 2, 2016, the Authority issued its Federal Highway Reimbursement Revenue Notes, 2016 Series A, consisting of \$1,441,425,000 Federal Highway Reimbursement Revenue Notes, 2016 sub-Series A-1 (the "2016 Series A-1 Notes") and \$1,300,000,000 Federal Highway Reimbursement Revenue Notes, 2016 sub-Series A-2 (the "2016 Series A-2 Notes" and, together with the 2016 Series A-1 Notes, the "2016 Series A Notes") and \$500,000,000 Federal Highway Reimbursement Revenue Notes, 2016 Series B (the "2016 Series B Notes" and, together with the 2016 Series A Notes, the "2016 Series Notes") payable from and secured by a senior lien on the Reimbursement Revenues; and

WHEREAS, the 2016 Series Notes were issued pursuant to the Act, a Note Resolution duly adopted by the Authority on October 14, 2016 (the "Initial Resolution") and a Master Trust Indenture, dated as of October 26, 2016 (the "Master Trust Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by the First Supplemental Trust Indenture, dated as of October 26, 2016, between the Authority and the Trustee (the "First Supplemental Indenture"); and

WHEREAS, in connection with the 2016 Series Notes, the Commissioner and the Authority entered into the Reimbursement Revenue Funding Agreement, dated as of October 26, 2016 (the "Funding Agreement"; capitalized terms used but not defined in this First Amendment shall have the same meanings given to them in the Funding Agreement) in order to provide for the receipt and pledge of the Reimbursement Revenues to secure and provide a source of payment for the Note Payment Obligations and related Financing Facility Payment Obligations, if any, on the 2016 Series Notes and the payment to the Trustee of all Reimbursement Revenues received in each Fiscal Year as provided in the Funding Agreement

prior to the use of such Reimbursement Revenues for any other purpose, all in accordance with the provisions thereof and of the Master Trust Indenture; and

WHEREAS, pursuant to the authority granted to the Authority under the Act, the Authority is issuing its Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A (the "2018 Series Notes"); and

WHEREAS, the 2018 Series Notes are being issued pursuant to a Federal Highway Reimbursement Revenue Refunding Note Resolution duly adopted by the Authority on May 23, 2018 (the "Note Resolution") as Additional Notes under the Master Trust Indenture, as supplemented, including by the Second Supplemental Indenture dated as of _____, 2018, between the Authority and the Trustee (the "Second Supplemental Indenture"; the Master Trust Indenture, as supplemented, including by the First Supplemental Indenture and the Second Supplemental Indenture, is hereinafter referred to as the "Indenture") in order to refund a portion of the 2016 Series A Notes and to pay costs associated with the issuance of the 2018 Series Notes; and

WHEREAS, pursuant to the Funding Agreement, upon the issuance of each Series of Additional Notes constituting Indirect GARVEE Notes or Gross Funded Direct GARVEE Notes, the Commissioner and the Authority shall execute an amendment to Schedule I or Schedule II to the Funding Agreement, as the case may be, to confirm that it shall apply to such Series of Additional Notes consisting of Indirect GARVEE Notes or Gross Funded Direct GARVEE Notes.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and agreements contained herein, and intending to be legally bound hereby, the Commissioner and the Authority hereby agree as follows:

1. Amendments to Funding Agreement. Pursuant to Sections 9, 10 and 13 of the Funding Agreement, in connection with the issuance of the 2018 Series Notes and in order to provide that the 2018 Series Notes constitute "Covered Notes" within the meaning and for the purposes of the Funding Agreement, Schedules I and III of the Funding Agreement are hereby amended and restated in their entirety as provided on the attached Schedules I and III hereto.

2. Confirmation of Funding Agreement. Except as expressly amended by this First Amendment, the Funding Agreement is and shall remain unchanged and in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Commissioner and the Authority have caused this First Amendment to be duly executed and delivered, or approved or acknowledged, as applicable, by their duly authorized officers as of the date first above written.

COMMISSIONER, NEW JERSEY
DEPARTMENT OF TRANSPORTATION

By: _____
Name: Diane Gutierrez-Scaccetti
Title: Commissioner

NEW JERSEY TRANSPORTATION TRUST
FUND AUTHORITY

By: _____
Name: Gary Brune
Title: Executive Director

SCHEDULE I

COVERED NOTES – INDIRECT GARVEE NOTES

SERIES	DATE OF ISSUANCE	INITIAL AGGREGATE PRINCIPAL AMOUNT
Federal Highway Reimbursement Revenue Notes, 2016 sub-Series A-1	11/02/2016	\$1,441,425,000
Federal Highway Reimbursement Revenue Notes, 2016 Series B	11/02/2016	\$500,000,000
Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A		

SCHEDULE III
COVERED NOTE OBLIGATIONS
DEBT SERVICE SCHEDULE

FIRST AMENDMENT TO OMNIBUS VOUCHER

THIS FIRST AMENDMENT TO OMNIBUS VOUCHER, dated _____, 2018 (the "First Amendment"), is made by the undersigned, Acting Director of the Division of Budget and Accounting in the New Jersey Department of the Treasury (the "Acting Director"), pursuant to and in accordance with N.J.S.A. 27:1A-7.

WHEREAS, in connection with the issuance by the New Jersey Transportation Trust Fund Authority (the "Authority") on November 2, 2016 of the Authority's Federal Highway Reimbursement Revenue Notes, 2016 Series A and 2016 Series B (the "2016 Series Notes"), the Acting Director executed and delivered the Omnibus Voucher dated November 2, 2016 (the "Omnibus Voucher") pursuant to that certain Reimbursement Revenue Funding Agreement, dated as of October 26, 2016 (the "Funding Agreement"), by and between the Authority and the Commissioner (the "Commissioner") of the New Jersey Department of Transportation ("NJDOT"); and

WHEREAS, pursuant to the authority granted to the Authority under the New Jersey Transportation Trust Fund Authority Act of 1984, L. 1984, c. 73, as amended and supplemented (the "Act"), the Authority is issuing its Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A (the "2018 Series Notes"); and

WHEREAS, the 2018 Series Notes are being issued pursuant to a Federal Highway Reimbursement Revenue Refunding Note Resolution duly adopted by the Authority on May 23, 2018 (the "Note Resolution") as Additional Notes under the Master Trust Indenture, dated as of October 26, 2016 (the "Master Trust Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented, including by the Second Supplemental Trust Indenture dated as of _____, 2018, between the Authority and the Trustee (the "Second Supplemental Indenture"; the Master Trust Indenture, as supplemented, is hereinafter referred to as the "Indenture") in order to refund a portion of the 2016 Series A Notes and to pay costs associated with the issuance of the 2018 Series Notes; and

WHEREAS, in connection with the issuance of the 2018 Series Notes and pursuant to the Funding Agreement, the Authority and the Commissioner have executed and delivered a First Amendment to Funding Agreement dated as of _____, 2018 (the "First Amendment to Funding Agreement") to provide, among other things, that the 2018 Series Notes constitute "Covered Notes" within the meaning and for the purposes of the Funding Agreement; and

WHEREAS, the Acting Director is executing and delivering this First Amendment in order to make certain clarifying amendments to the Omnibus Voucher.

NOW, THEREFORE, the Omnibus Voucher is hereby amended as follows:

1. Paragraph 1 of the Omnibus Voucher is hereby amended and restated to be and read as follows:

This Omnibus Voucher is being executed and delivered pursuant to that certain Reimbursement Revenue Funding Agreement, dated as of October 26, 2016 (the "Original Funding Agreement"), as amended by the First Amendment to Reimbursement Revenue Funding Agreement, dated as of _____, 2018 (the "First Amendment to Funding Agreement"; the Original Funding Agreement as amended by the First

Amendment to Funding Agreement and as may be further amended from time to time is collectively referred to as the "Funding Agreement"), by and between the New Jersey Transportation Trust Fund Authority (the "Authority") and the Commissioner (the "Commissioner") of the New Jersey Department of Transportation ("NJDOT") in connection with the issuance of the Authority's Federal Highway Reimbursement Revenue Notes, 2016 Series A and 2016 Series B (the "2016 Series Notes"), Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A (the "2018 Series Notes") and any Series of Additional Notes issued pursuant to the Indenture (as hereinafter defined).

2. Paragraph 2 of the Omnibus Voucher is hereby amended and restated to be and read as follows:

The 2016 Series Notes are being issued pursuant to a Note Resolution of the Authority adopted October 14, 2016 and pursuant to a Master Trust Indenture, dated as of October 26, 2016 (the "Master Trust Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture, dated as of October 26, 2016, between the Authority and the Trustee (the "First Supplemental Indenture"); the 2018 Series Notes are being issued pursuant to a Note Resolution of the Authority adopted May 23, 2018 and pursuant to the Master Trust Indenture, as supplemented by a Second Supplemental Trust Indenture, dated as of _____, 2018 (the "Second Supplemental Indenture"; the Master Trust Indenture, as amended, including by the First Supplemental Indenture and the Second Supplemental Indenture, is hereinafter referred to as the "Indenture"); each Series of Additional Notes shall be issued pursuant to a note resolution to be adopted by the Authority and a Supplemental Indenture, each relating to such Series of Additional Notes, by and between the Authority and the Trustee. Capitalized terms used but not defined in this Omnibus Voucher shall have the meanings given to them in the Funding Agreement or the Indenture.

3. Except as expressly amended by this First Amendment, the Omnibus Voucher is and shall remain unchanged and in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, I have executed this First Amendment to Omnibus Voucher
as of the date first written above.

DIVISION OF BUDGET AND
ACCOUNTING, NEW JERSEY
DEPARTMENT OF THE TREASURY

By: _____
Name: David Ridolfino
Title: Acting Director

Approved and Certified:

COMMISSIONER, NEW JERSEY
DEPARTMENT OF TRANSPORTATION

By: _____
Name: Diane Gutierrez-Scaccetti
Title: Acting Commissioner

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

\$ _____
Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A

NOTE PURCHASE CONTRACT

Dated: _____, 2018

_____, 2018

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 Note 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 \$_____ aggregate principal amount of Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A (the “2018 Series A Notes”). This offer is made subject to acceptance by the Authority prior to 11:59 p.m. prevailing Eastern 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. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture or the Official Statement (each as hereinafter defined).

1. (a) Sale of the 2018 Series A Notes. 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 issue and sell to the Underwriters, all (but not less than all) of the 2018 Series A Notes at an aggregate purchase price (the “2018 Series A Note Purchase Price”) of \$_____, which is equal to the aggregate principal amount of the 2018 Series A Notes, plus net original issue premium in the amount of \$_____, and less an Underwriters’ discount in the amount of \$_____. The 2018 Series A Notes are dated and will bear interest from the date of issuance and delivery. The 2018 Series A Notes will mature on the dates and in the principal amounts and will bear interest at the respective rates per annum as set forth in the Second Supplemental Indenture (as hereinafter defined) and on Schedule II attached hereto.

The 2018 Series A Notes 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”), a Federal Highway Reimbursement Revenue Refunding Note Resolution adopted by the Authority on May 23, 2018 (the “Note Resolution”) and a Master Trust Indenture, dated as of October 26, 2016 (the “Master Trust Indenture”), between the Authority and U.S. Bank National Association, as trustee (the “Trustee”), as amended and supplemented, including by the Second Supplemental Trust Indenture, dated as of _____, 2018 (the “Second Supplemental Indenture”), between the Authority and the Trustee. The Master Trust Indenture, as amended and supplemented, including by the Second Supplemental Indenture, is hereinafter referred to as the “Indenture.”

The 2018 Series A Notes shall be Indirect GARVEE Notes and shall be issued pursuant to the Indenture for the purposes of (a) refunding the 2016 Series A Notes to be Refunded, and (b) paying costs associated with the issuance of the 2018 Series Notes.

Pursuant to N.J.S.A 27:1A-7, and in order to secure and provide a source of payment for the 2018 Series A Notes, the Commissioner (the "Commissioner") of the New Jersey Department of Transportation (the "NJDOT") and the Authority have entered into a Reimbursement Revenue Funding Agreement dated as of October 26, 2016, as amended pursuant to the First Amendment to Funding Agreement dated as of _____, 2018 (together, the "Funding Agreement"). Pursuant to the Funding Agreement, the Commissioner has agreed to pay to the Trustee, as assignee of the Authority, any and all Reimbursement Revenues, if, when and as received in each Fiscal Year, until such time as the Authority shall receive from the Trustee a Reimbursement Revenue Sufficiency Date Notice for such Fiscal Year, and subject to the terms and conditions set forth in the Funding Agreement. A failure by the Commissioner to pay when received any Reimbursement Revenues or any amount payable under the Funding Agreement by reason of the occurrence of an Event of Non-Appropriation or Unavailability of Federal Funds shall not constitute an event of default under the Funding Agreement or the Indenture.

The 2018 Series A Notes are special, limited obligations of the Authority payable solely from the Trust Estate (as hereinafter defined). Pursuant to the Master Trust Indenture, the "Trust Estate" consists of: (i) the Pledged Revenues; (ii) the Funding Agreement; (iii) all moneys and securities held in the Funds and Accounts, other than the Construction Fund, the Rebate Fund, the Costs of Issuance Fund and the Expense Fund; and (iv) any and all other property and monies from time to time delivered or by writing conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture by, or on behalf of, the Authority to the Trustee. The 2018 Series A Notes are not Reserve Fund Notes.

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 INDENTURE) IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE 2018 SERIES A NOTES. THE 2018 SERIES A NOTES ARE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY OUT OF THE TRUST ESTATE PLEDGED UNDER THE INDENTURE AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE INDENTURE FOR PAYMENT OF THE 2018 SERIES A NOTES. THE 2018 SERIES A NOTES 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 INDENTURE 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 INDENTURE). THE AUTHORITY HAS NO TAXING POWER.

The Underwriters hereby agree to make a bona fide public offering of the 2018 Series A Notes, solely pursuant to the Official Statement, at the initial offering prices or yields set forth on the inside cover page of the Official Statement. The Underwriters, however, reserve the right to change such initial offering prices or yields as the Underwriters shall deem necessary in connection with the marketing of the 2018 Series A Notes and to offer and sell the 2018 Series A Notes to certain dealers (including dealers depositing the 2018 Series A Notes 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 2018 Series A Notes 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.

The Manager agrees to use its best efforts to assure that the Authority meets its objectives in the fair and reasonable allocation of 2018 Series A Notes to members of the underwriting syndicate in accordance with the Agreement Among Underwriters dated _____, 2018 (the "AAU"). The Manager further agrees that the allocation of 2018 Series A Notes and fees received by each member of the underwriting syndicate, if applicable, shall be reported to the Authority and the Treasurer of the State of New Jersey (the "Treasurer") within thirty (30) days after the Closing (as hereinafter defined) of the 2018 Series A Notes. The parties hereto agree and acknowledge that the failure by the Manager to comply with the provisions of this paragraph will not void the sale hereunder of the 2018 Series A Notes or otherwise constitute a default or breach by the Manager 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 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 2018 Series A Notes 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 2018 Series A Notes 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 2018 Series A Notes 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 2018 Series A Note Purchase Price to be paid by the Underwriters.

Upon the Authority’s failure to deliver the 2018 Series A Notes 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 2018 Series A Notes 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 _____, 2018, relating to the 2018 Series A Notes (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 2018 Series A Notes (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). The Official Statement shall be substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Authority and the Underwriters and as are permitted by the Rule. 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 2018 Series A Notes. Within one (1) 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 a copy of the notice sent to all purchasers of the 2018 Series A Notes from the Underwriters advising such purchasers 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. **Establishment of Issue Price.** The Manager, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the 2018 Series A Notes and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit E, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Manager, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the 2018 Series A Notes.

(a) [Except for the maturities set forth in Schedule III attached hereto,] the Authority will treat the first price at which 10% of each maturity of the 2018 Series A Notes (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test).

(b) [The Manager confirms that the Underwriters have offered the 2018 Series A Notes to the public on or before the date of this Purchase Contract at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule III attached hereto and in the final Offering Circular. Schedule III also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the 2018 Series A Notes for which the 10% test has not been satisfied and for which the Authority and the Manager, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the 2018 Series A Notes, the Underwriters will neither offer nor sell unsold 2018 Series A Notes of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the 2018 Series A Notes to the public at a price that is no higher than the initial offering price to the public.

The Manager shall promptly advise the Authority when the Underwriters have sold 10% of that maturity of the Tax-Exempt Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Authority acknowledges that, in making the representation set forth in this subsection, the Manager will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2018 Series A Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the 2018 Series A Notes to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution

agreement and the related pricing wires. The Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the 2018 Series A Notes.]

(c) The Manager confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Manager is a party) relating to the initial sale of the 2018 Series A Notes to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Manager and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the initial sale of the 2018 Series A Notes to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the 2018 Series A Notes to the public to require each broker-dealer that is a party to such retail distribution agreement to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Manager or the Underwriter and as set forth in the related pricing wires.

(d) The Underwriters acknowledge that sales of any 2018 Series A Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(i) “public” means any person other than an underwriter or a related party to an underwriter,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2018 Series A Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2018 Series A Notes to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2018 Series A Notes to the public),

(iii) a purchaser of any of the 2018 Series A Notes is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the Authority or the capital interests or profit interests of the partnership, as applicable, if one

entity is a Authority and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

- (iv) “sale date” means the date of execution of this Purchase Contract by all parties.

5. **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 Note Resolution; to execute and deliver the Indenture; to execute and deliver the Funding Agreement; 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 between the Authority and the Trustee, as Dissemination Agent, relating to the 2018 Series A Notes; to execute and deliver the Escrow Deposit Agreement dated the date of Closing (the “Escrow Agreement”) to be entered into by and between the Authority and the Trustee, as Escrow Agent, relating to the 2016 Series A Notes to be Refunded and to carry out the Authority’s obligations required in connection with the consummation of the transactions contemplated by the Indenture, the Funding Agreement, this Purchase Contract, the 2018 Series A Notes, the Official Statement, the Continuing Disclosure Agreement and the Escrow Agreement;

- (ii) The Authority, concurrently with or prior to the acceptance hereof, has duly adopted the Note Resolution and duly authorized the execution and delivery of the Indenture, this Purchase Contract, the Funding Agreement, the Continuing Disclosure Agreement and the Escrow 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 Indenture, the Funding Agreement, the Continuing Disclosure Agreement, the Escrow Agreement and this Purchase Contract; and has duly authorized and approved the sale of the 2018 Series A Notes to the Underwriters, and the consummation by it of all other transactions contemplated by this Purchase Contract;

- (iii) The Authority has complied with and will, at the Closing, be in compliance in all material respects with the Act, the Note Resolution, this Purchase Contract, the Funding Agreement and the Indenture;

- (iv) The adoption of the Note Resolution, the execution and delivery of the Indenture, the Continuing Disclosure Agreement, the Escrow Agreement, the 2018 Series A Notes, the Funding Agreement 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 Indenture, the Continuing Disclosure Agreement, the Escrow Agreement, the 2018 Series A Notes, the Funding Agreement 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;

(v) 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 Indenture, the 2018 Series A Notes, the Funding Agreement, the Continuing Disclosure Agreement, the Escrow Agreement and this Purchase Contract have been obtained or will have been obtained as of the date of the Closing;

(vi) The statements and information relating to the Authority contained in the Official Statement under the captions "INTRODUCTION," "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;

(vii) If the Official Statement is supplemented or amended pursuant to Section 9 hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to Section 9 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 2018 Series A Notes (as determined in accordance with Section 9 hereof), the statements and information relating to the Authority contained under the captions "INTRODUCTION," "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;

(viii) 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 2018 Series A Notes, or in any way contesting or affecting the validity or enforceability of the Indenture, the Note Resolution, the Funding Agreement, the Continuing Disclosure Agreement, the Escrow 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 Indenture, the Note Resolution, the Continuing Disclosure Agreement, the Escrow Agreement, the Funding Agreement or this Purchase Contract;

(ix) When delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of the Indenture and this Purchase Contract, and as described in the Official Statement, the 2018 Series A Notes will have been duly authorized, executed, issued and delivered and will constitute special, limited obligations of the Authority entitled to the benefits and security of the Indenture;

(x) 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

(xi) In order to enable the Underwriters to comply with the requirements of the Rule, 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 limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, having all requisite power and authority to carry on its business as now constituted;

(ii) The Indenture, the Funding Agreement, the Continuing Disclosure Agreement, the Escrow 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 as representative acting for and on behalf of itself and, pursuant to the AAU, the Underwriters, 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) (a) The Manager has not entered into, and based upon and in reliance 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, (b) the Manager, on behalf of itself and the other Underwriters, is in compliance with, and, based upon and in reliance upon the representations received by the Manager from the other Underwriters under the AAU, each Underwriter is in compliance with the provisions of Rules G-37 and G-38 of the MSRB, (c) the Manager, on behalf of itself and the other Underwriters, is in compliance with, and, based upon and in reliance upon the representations received by the Manager from the other Underwriters under the AAU, each Underwriter is in compliance with the provisions of Rule G-17 of the MSRB in

connection with the transactions contemplated by this Purchase Contract and the Official Statement, (d) the Manager, on behalf of itself and the other Underwriters, has no knowledge of any non-compliance by it as of the date hereof with its obligations under Rule G-17 of the MSRB, which non-compliance could materially adversely impact the performance by the Manager of its underwriting services, and, based upon and in reliance upon the representations received by the Manager from the other Underwriters under the AAU, no Underwriter has any knowledge of non-compliance by it as of the date hereof with its obligations under Rule G-17 of the MSRB, which non-compliance could materially adversely impact the performance by such Underwriter of its underwriting services;

(v) The Manager will deliver or cause to be delivered at the Closing an issue price certificate with respect to the 2018 Series A Notes, dated the date of the Closing, signed by an authorized representative of the Manager, in substantially the form attached hereto as Exhibit E;

(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 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") 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 B, 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 during the term of this Purchase Contract and for so long as the Underwriters have any obligation under this Purchase Contract;

(vii) 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 2018 Series A Notes; and

(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 each Underwriter has complied with the requirements of N.J.S.A. 52:32-58 and has filed a certification with the Authority that it is not identified on the list of persons engaging in investment activities in Iran.

6. **Cooperation.** The Authority agrees to reasonably cooperate with the Manager and counsel to the Underwriters in any endeavor to qualify the 2018 Series A Notes 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 2018 Series A Notes. 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 2018 Series A Notes under this Purchase Contract.

7. **Closing.** At 10:00 a.m. prevailing Eastern time, on _____, 2018, 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 2018 Series A Notes to the Trustee, as custodian for The Depository Trust Company, (“DTC”), for the account of the Underwriters. The Underwriters will accept delivery of the 2018 Series A Notes and pay the 2018 Series A Note 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 written direction to any other account). Simultaneously with the payment of the 2018 Series A Note 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 10(d) hereof. It is anticipated that CUSIP identification numbers will be printed on the 2018 Series A Notes, but neither the failure to print such numbers on any 2018 Series A Note, 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 2018 Series A Notes in accordance with the terms of this Purchase Contract. The 2018 Series A Notes shall be printed on safety paper and delivered in the form of a single fully registered note for each stated maturity and interest rate within a maturity of each 2018 Series A Note, registered in the name of and to be held by or on behalf of Cede & Co., as nominee of DTC. The 2018 Series A Notes will be made available to the Underwriters or their designee for review at the offices of Chiesa, Shahinian & Giantomasi PC, West Orange, New Jersey, at least one (1) business day prior to the Closing. After execution by the Authority and authentication by the Trustee, the 2018 Series A Notes 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.

8. **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, the Note Resolution, the Indenture and the Funding Agreement 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) On the date of sale of the 2018 Series A Notes, the Underwriters shall have received a certificate signed by an Authorized NJDOT Representative substantially in the form of Exhibit G-1;

(c) On or prior to the date of Closing, the Underwriters shall have received a certificate signed by an Authorized NJDOT Representative substantially in the form of Exhibit G-2;

(d) The Underwriters shall not have elected to cancel their obligations hereunder to purchase the 2018 Series A Notes, 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 2018 Series A Notes, 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 2018 Series A Notes in the hands of the holders thereof, and which in the Manager's reasonable opinion, materially adversely affects the marketability of the 2018 Series A Notes; (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 2018 Series A Notes, as contemplated by this Purchase Contract or by the Official Statement, or any document relating to the issuance, offering or sale of the 2018 Series A Notes, 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 2018 Series A Notes 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 Indenture 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, in light of the circumstances under which they were made, 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 2018 Series A Notes or (y) the ability of the Underwriters to enforce confirmations of or contracts for the sale of the 2018 Series A Notes; (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

2018 Series A Notes; 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 2018 Series A Notes; and

(e) 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 Note Resolution certified by an Authorized Authority Representative;

(ii) executed copies of the Master Trust Indenture, the Second Supplemental Indenture and the Funding Agreement, each certified as of the date of Closing by an Authorized Authority Representative 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;

(iii) (A) the approving opinion of Chiesa Shahinian & Giantomasi PC, ("Bond Counsel") dated the date of Closing, substantially in the form included in the Official Statement; (B) a supplemental opinion of Bond Counsel, dated the date of Closing and addressed to the Authority, the Commissioner and the Underwriters in substantially the form attached hereto as Exhibit A and incorporated herein by this reference; and (C) 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;

(iv) an opinion of the Attorney General of the State addressed to the Authority and the Commissioner in substantially the form attached hereto as Exhibit C;

(v) letters of the Governor of the State (the "Governor") and the Treasurer approving the adoption of the Note Resolution by the Authority at a meeting held on May 23, 2018;

(vi) 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 May 23, 2018, as they relate to various actions taken in connection with the issuance of the 2018 Series A Notes, were duly delivered to the Governor in accordance with the Act and that either (A) such minutes were approved by the Governor, or (B) the Governor did not veto such minutes within the time period specified in Section 4(g) of the Act;

(vii) ratings letters or other documents providing evidence of the ratings for the 2018 Series A Notes 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, the Escrow Agreement and the Authority's Tax Certificate relating to the 2018 Series A Notes 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 and Escrow Agent, addressed to the Authority and the Underwriters, in form and substance acceptable to the Authority, Bond Counsel and the Underwriters;

(xi) opinions of co-Counsel to the Underwriters, in substantially the forms attached hereto as Exhibits D-1 and D-2;

(xii) a certificate of an Authorized NJDOT Representative as required by Section 206(k) of the Master Trust Indenture;

(xiii) a certificate of an Authorized Authority Representative as required by Section 206(f) of the Master Trust Indenture;

(xiv) a certificate, dated the date of Closing, signed by an Authorized Authority Representative, to the effect that no litigation is pending or, to the knowledge of the signer of such certificate, threatened (1) in any way attempting to restrain or enjoin the issuance, sale, execution or delivery of any of the 2018 Series A Notes, the application of the proceeds thereof, the payment, collection or application of payments or the pledge thereof or of the other moneys, rights and interests pledged pursuant to the Indenture or the execution, delivery or performance of the Indenture, the Funding Agreement, the Escrow Agreement or this Purchase Contract; (2) in any way contesting or otherwise affecting the authority for or the validity of the 2018 Series A Notes, the Indenture, the Funding Agreement, the Continuing Disclosure Agreement, the Escrow Agreement or this Purchase Contract, any of the matters referred to in clause (1) above or any other proceedings of the Authority taken with respect to the issuance or sale of the 2018 Series A Notes, (3) in any way contesting the powers of the Authority, or (4) in any way contesting the payment, collection or application of Revenues under the Funding Agreement or the pledge thereof pursuant to the Indenture;

(xv) a certificate, dated the date of the Closing, signed by an Authorized Authority Representative, to the effect that (1) each of the representations of the Authority contained in this Purchase Contract is true and correct as of the date of Closing as though made at the time of Closing; (2) the Authority has duly complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the date of Closing; and (3) no Event of Default or event which with the lapse of time or the giving of notice or both, would constitute an Event of Default has occurred and is continuing;

(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 Representative;

(xvii) an executed copy of the IRS Form 8038-G relating to the 2018 Series A Notes;

(xviii) an executed Certification of Underwriter as to Disclosure in substantially the form attached hereto as Exhibit F;

(xix) a copy of the verification report of _____ (the "Verification Agent), verifying, with respect to the Escrow Agreement, the mathematical accuracy, as of the date of Closing, of (1) the computations contained in the provided schedules to determine that the amount deposited pursuant to the Escrow Agreement will be sufficient to pay, when due, the principal or Redemption Price of the 2016 Series A Notes to be Refunded, and (2) the mathematical computations supporting the conclusion of Bond Counsel that interest on the 2016 Series A Notes to be Refunded is excluded from gross income of the owners thereof for federal income purposes.

(xx) such additional legal opinions, certificates, proceedings, instruments and other documents, if any, as may be required by the Second Supplemental Indenture; and

(xxi) 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 10 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.

9. **Amendments and Supplements to the Official Statement.** The “end of the underwriting period” for the 2018 Series A Notes for all purposes of the Rule is the date of the Closing. During the period from the date hereof to and including the date which is twenty-five (25) days following the end of the underwriting period for the 2018 Series A Notes (as determined in accordance with this Section 9), 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 has obtained the written opinion of Bond Counsel, stating that such amendment or supplement is necessary so that 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 therein, in light of the circumstances under which they were made, not misleading, and (b) if any event relating to or affecting the Authority, the NJDOT, the State or the 2018 Series A Notes shall occur as a result of which it is necessary, in the written opinion of Bond Counsel addressed to the Authority, to amend or to supplement the Official Statement so that 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 therein, in light of the circumstances under which they were made, not misleading, forthwith prepare and furnish to the Underwriters (at the expense of the Authority) up to 250 copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Authority and the Manager) which will amend or supplement the Official Statement so that the Official Statement, as amended or supplemented, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Underwriters agree 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.

10. **Expenses.** (a) If the 2018 Series A Notes are sold to the Underwriters hereunder, there shall be paid from the proceeds of the 2018 Series A Notes, all expenses incidental to the issuance of the 2018 Series A Notes, 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 2018 Series A Notes; (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 Escrow Agent 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 2018 Series A Notes, 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 2018 Series A Notes.

(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 2018 Series A Note 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 Note 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.

11. **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:

Morgan Stanley & Co. LLC
1585 Broadway, 16th Floor
New York, New York 10036
Attention: Robert N. Pattison, Executive Director

12. **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.

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

14. **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 2018 Series A Notes 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 2018 Series A Notes.

15. **Governing Law; Submission to Jurisdiction.** (a) This Purchase Contract shall be governed by and construed in accordance with the laws of the State.

(b) With respect to any suit, action or proceedings relating to this Purchase Contract, each of the Authority and the Underwriter irrevocably submits, by their execution and delivery of this Purchase Contract to the exclusive jurisdiction of the State courts of the State of New Jersey located in the County of Mercer.

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

**MORGAN STANLEY & CO. LLC, on
behalf of the Underwriters, including
itself**

By: _____
Name:
Title:

ACCEPTED:

**NEW JERSEY TRANSPORTATION TRUST
FUND AUTHORITY**

By: _____
Gary Brune
Executive Director

SCHEDULE I
LIST OF UNDERWRITERS

Morgan Stanley & Co. LLC

SCHEDULE II

AMOUNTS, MATURITIES, OTHER TERMS AND REDEMPTION PROVISIONS OF THE 2018 SERIES A NOTES

\$ _____
Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A

Maturity Date	Amount	Rate	Yield	Price*
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*Priced to first optional redemption date of 6/15/2026

Redemption Provisions

Optional Redemption.

The 2018 Series A Notes maturing on or before June 15, 2026 are not subject to optional redemption prior to maturity. The 2018 Series A Notes maturing on or after June 15, 2027, are subject to optional redemption prior to maturity at the option of the Authority, at any time on or after June 15, 2026, 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 2018 Series A Notes being redeemed, plus accrued interest thereon to the redemption date.

Selection of Notes to be Redeemed. If less than all 2018 Series A Notes of a Series are called for redemption, the Authority will select the maturity or maturities of the 2018 Series A Notes to be redeemed. If less than all of the 2018 Series A Notes of like maturity shall be called for prior redemption, the particular 2018 Series A Notes or portions of 2018 Series A Notes 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. However, the portion of any 2018 Series A Note to be redeemed shall be in the principal amount of \$5,000 or any multiple thereof, and in selecting 2018 Series A Notes for redemption, the Trustee is required to treat each such 2018 Series A Note as representing that number of 2018 Series A Notes which is obtained by dividing the principal amount of such 2018 Series A Note by \$5,000. While the 2018 Series A Notes are in book-entry only form, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Notice of Redemption. When the Trustee shall receive notice from the Authority of its election or direction to redeem the 2018 Series A Notes, and when redemption of the 2018

Series A Notes is authorized or required pursuant to the Indenture, the Trustee shall give notice, in the name of the Authority, of the redemption of such 2018 Series A Notes, which notice shall specify the subseries and maturities of the 2018 Series A Notes 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 2018 Series A Notes of the same maturity are to be redeemed, the letters and numbers or other distinguishing marks of such 2018 Series A Notes so to be redeemed, and, in the case of 2018 Series A Notes 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 2018 Series A Notes to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of 2018 Series A Notes 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 2018 Series A Notes or portions of 2018 Series A Notes which are to be redeemed, at their last addresses, if any, appearing upon the Note Registry. Failure of the registered owner of any 2018 Series A Note which is to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of 2018 Series A Notes.

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 2018 Series A Notes 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 2018 Series A Notes, all notices of redemption required to be given to the registered owners of the 2018 Series A Notes will be given to DTC.

Mandatory Tender for Purchase in Lieu of Optional Redemption. Whenever any 2018 Series A Notes 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 2018 Series A Notes, elect to call such 2018 Series A Notes for mandatory tender for purchase in lieu of optional redemption at a purchase price equal to the then applicable Redemption Price of such 2018 Series A Notes. 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 Noteholders (or such shorter period as shall be acceptable to the Trustee). The provisions of the Indenture applicable to the redemption of 2018 Series A Notes at the option of the Authority shall also apply to a mandatory tender for purchase of such 2018 Series A Notes in lieu of optional redemption at the Authority's election.

SCHEDULE III

INITIAL OFFERING PRICES OF THE 2018 SERIES A NOTES

[with notation as to which maturities, if any, are “hold-the-offering-price” maturities]

EXHIBIT A

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

_____, 2018

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

The Honorable Diane Gutierrez-Scaccetti
Commissioner, New Jersey
Department of Transportation
1035 Parkway Avenue
Trenton, New Jersey 08625

Morgan Stanley & Co. LLC, for itself and as
Manager on behalf of the Underwriters
1585 Broadway, 16th Floor
New York, New York 10036

Re: New Jersey Transportation Trust Fund Authority
Federal Highway Reimbursement Revenue Refunding Notes,
2018 Series A

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance of \$ _____ aggregate principal amount of Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A (the "2018 Series A Notes"), 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 2018 Series A Notes are being issued under and pursuant to the Act, and under and pursuant to a Federal Highway Reimbursement Revenue Refunding Note Resolution adopted by the Authority on May 23, 2018 (the "Note Resolution") and a Master Trust Indenture, dated as of October 26, 2016 (the "Master Trust Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), as amended and supplemented, including by a Second Supplemental Trust Indenture, dated as of _____, 2018 (the "Second Supplemental Indenture"), between the Authority and the Trustee. The Master Trust Indenture, as amended and supplemented, including by the Second Supplemental Indenture, is hereinafter referred to as the "Indenture." Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Indenture or the Note Purchase Contract relating to the 2018 Series A Notes, dated _____, 2018 (the "Purchase Contract"), between the Authority and Morgan Stanley & Co. LLC, as Manager, acting on behalf of itself and the other Underwriters named therein.

The 2018 Series A Notes shall be Indirect GARVEE Notes and shall be issued pursuant to the Indenture for the purposes of (a) refunding the 2016 Series A Notes to be Refunded, and (b) paying costs associated with the issuance of the 2018 Series Notes.

Pursuant to N.J.S.A 27:1A-7, and in order to secure and provide a source of payment for the 2018 Series A Notes, the Commissioner of the New Jersey Department of Transportation (the "Commissioner") and the Authority have entered into a Reimbursement Revenue Funding Agreement dated as of October 26, 2016, as amended pursuant to the First Amendment to Funding Agreement dated as of _____, 2018 (together, the "Funding Agreement"). Pursuant to the Funding Agreement, the Commissioner has irrevocably agreed to pay to the Trustee, as assignee of the Authority, any and all Reimbursement Revenues, if, when and as received in each Fiscal Year, until such time as the Authority shall receive from the Trustee a Reimbursement Revenue Sufficiency Date Notice for such Fiscal Year, and subject to the terms and conditions set forth in the Funding Agreement. A failure by the Commissioner to pay when received any Reimbursement Revenues or any amount payable under the Funding Agreement by reason of the occurrence of an Event of Non-Appropriation or Unavailability of Federal Funds shall not constitute an event of default under the Funding Agreement or the Indenture.

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 Note Resolution, the Indenture, the Funding Agreement, the Purchase Contract, the Continuing Disclosure Agreement, the Escrow Agreement and the other documents, certifications, instruments, opinions and records delivered in connection with the issuance of the 2018 Series A Notes. In rendering the opinions set forth below, we have assumed and relied upon 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 upon the truthfulness, completeness and accuracy of the aforesaid instruments, certificates, opinions (other than the Attorney General of the State'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 Escrow Agreement have each 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 information in the sections of the Official Statement (except for the financial, tabular and other statistical information included therein, as to which we express no opinion) under the headings "INTRODUCTION," "DESCRIPTION OF THE 2018 NOTES" (other than under the sub-heading "Book-Entry Only System," as to which we express no opinion) "SOURCES OF PAYMENT AND SECURITY FOR THE 2018 NOTES," "PLAN OF REFUNDING," "ESTIMATED SOURCES AND USES OF FUNDS" "INFORMATION CONCERNING THE FUNDING OF FEDERAL-AID-HIGHWAYS," "THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY," "LEGALITY FOR INVESTMENT," "CERTAIN LEGAL MATTERS", and "CONTINUING DISCLOSURE" (other than the last _____ paragraphs in the section entitled CONTINUING DISCLOSURE, as to which no opinion is expressed) 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.

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

(4) The 2018 Series A Notes are not required to be registered under the Securities Act of 1933, as amended, and the Indenture is not required to be qualified under the Trust Indenture Act of 1939, as amended.

(5) 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 2018 Series A Notes, and its obligations under the Indenture and the Funding Agreement relating to the 2018 Series A Notes, 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 Attorney General of the State, 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 2 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 2018 Series A Notes and the information contained in the sections therein entitled "LITIGATION", 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 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 2018 Series A Notes. 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 2018 Series A Notes. 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

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

I, _____, _____, of Morgan Stanley & Co. LLC (the "Manager"), in reliance upon the representations and warranties made to the Manager in the Agreement Among Underwriters, dated _____, 2018, by the other Underwriters (collectively, the "Underwriters") listed on Schedule I to the Note Purchase Contract (the "Purchase Contract"), dated _____, 2018, 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 \$_____ Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A (the "2018 Series A Notes"), 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) 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 shall rely upon the truth of the statements contained herein and therein and in the Purchase Contract in engaging the Manager and the other Underwriters in connection with the sale and issuance of the 2018 Series A Notes.

IN WITNESS WHEREOF, I have executed this Certificate as of the ____ day of _____, 2018.

MORGAN STANLEY & CO. LLC

By: _____
Name:
Title:

EXHIBIT C

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

_____, 2018

The Honorable Diane Gutierrez-Scaccetti
Commissioner
New Jersey Department of Transportation
1035 Parkway Avenue
Trenton, New Jersey 08625

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

Re: New Jersey Transportation Trust Fund Authority
\$_____ Federal Highway Reimbursement Revenue Refunding Notes,
2018 Series A

Dear Commissioner 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 \$_____ aggregate principal amount of Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A (the "Notes"). We also act as counsel to the New Jersey Department of Transportation in accordance with N.J.S.A. 52:17A-4.

We have examined copies of: (1) the Federal Highway Reimbursement Revenue Refunding Note Resolution duly adopted by the Authority on May 23, 2018 (the "Note Resolution"); (2) the Master Trust Indenture, dated as of October 26, 2016, (the "Master Trust Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), as amended and supplemented, including by a Second Supplemental Trust Indenture, dated as of _____, 2018 (the "Second Supplemental Indenture"), between the Authority and the Trustee (collectively, the Master Trust Indenture, as supplemented, including by the Second Supplemental Indenture are referred to herein as the "Indenture."); (3) the Reimbursement Revenue Funding Agreement, dated as of October 26, 2016, between the Commissioner and the Authority, as amended pursuant to the First Amendment to Funding Agreement dated as of _____, 2018 (together, the "Funding Agreement"); (4) the Continuing Disclosure Agreement, dated _____, 2018 between the Authority and the Trustee, as dissemination agent (the "Continuing Disclosure Agreement"); (5) the Note Purchase Contract, dated _____, 2018, between the Authority and Morgan Stanley & Co. LLC, the manager on behalf of the other underwriters listed on Schedule I thereto (the "Purchase Contract"); (6) the Escrow Deposit Agreement, dated _____, 2018, between the Authority and U.S. Bank National Association, as Escrow Agent (the "Escrow Agreement"); and (7) the Official Statement, dated _____, 2018, relating to the 2018 Series A Notes (the "Official Statement").

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 Master Indenture, the Second Supplemental Indenture, the Funding Agreement, the Continuing Disclosure Agreement, the Purchase Contract, the Escrow Agreement, the Official Statement, and the other documents listed in the closing memorandum relating to the Notes and such matters of law and other proofs, as we deemed necessary to enable us to express the opinions set forth below. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Indenture or the Purchase Contract.

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 Note Resolution or would restrain or enjoin the execution and delivery by the Authority of the Indenture, the Funding Agreement, the Continuing Disclosure Agreement, the Purchase Contract, the Escrow Agreement or the Notes 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 Note Resolution, the Indenture, the Funding Agreement, the Purchase Contract, the Continuing Disclosure Agreement, the Escrow Agreement or the validity of the Notes.

2. The adoption of the Note Resolution, the execution and delivery of the Indenture, the Funding Agreement, the Continuing Disclosure Agreement, the Escrow Agreement and the Purchase Contract, 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 Commissioner of the Funding Agreement, would have a materially adverse effect on the Commissioner's power to make the payments under the Funding Agreement or in any way questioning the validity of any of the provisions of the Funding 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,

GURBIR GREWAL
ATTORNEY GENERAL OF NEW JERSEY

By: _____

EXHIBIT D-1

FORM OF OPINION OF CO-COUNSEL TO UNDERWRITERS

_____, 2018

Morgan Stanley & Co. LLC, acting on behalf of itself and the
several Underwriters named in the
within-mentioned Purchase Contract

Re: New Jersey Transportation Trust Fund Authority
\$_____ Federal Highway Reimbursement Revenue Refunding Notes, 2018
Series A

Ladies and Gentlemen:

I have acted as co-counsel to the Underwriters (hereinafter defined) in connection with the purchase by the Underwriters from the New Jersey Transportation Trust Fund Authority (the "Authority") of the Authority's \$_____, aggregate principal amount, Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A (the "2018 Series A Notes").

The 2018 Series A Notes are being issued pursuant to: (i) the Constitution and laws of the State including, without limitation, the New Jersey Transportation Trust Fund Authority Act of 1984, as amended and supplemented (the "Act"); and (ii) a resolution of the Authority adopted on May 23, 2018 (the "Note Resolution"), and (iii) a Master Trust Indenture, dated as of October 26, 2016 (the "Master Indenture") by and between the Authority and U.S. Bank National Association, as Trustee (the "Trustee") as supplemented, including by a Second Supplemental Trust Indenture, dated as of _____, 2018, by and between the Authority and the Trustee (the "Second Supplemental Indenture" and, together with the Master Indenture, as supplemented, the "Indenture"). The 2018 Series A Notes are being sold by the Authority to the Underwriters pursuant to a Note Purchase Contract, dated _____, 2018 (the "Purchase Contract") between the Authority and Morgan Stanley & Co. LLC, acting on behalf of itself and the several underwriters named in the Purchase Contract (collectively, the "Underwriters"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Purchase Contract.

As the basis for this opinion, I have examined such matters of law and such documents and instruments as I deemed necessary, including, without limitation, the Act, the Note Resolution, the Authority's Official Statement, dated as of _____, 2018 (the "Official Statement"), the Continuing Disclosure Agreement, dated _____, 2018, by and between the Authority and U.S. Bank National Association, as Dissemination Agent (the "Continuing Disclosure Agreement"), and the other documents, certificates and legal opinions listed on the Index of Closing Documents (the "Closing Index"), dated _____, 2018, delivered at the closing for the 2018 Series A Notes.

In rendering this opinion, I have assumed and relied upon the authenticity, truthfulness, completeness and accuracy of all documents examined and of all representations set forth therein and the genuineness of all signatures thereon. I have not made any independent

investigation in rendering this opinion other than the examination referred to above. My opinion is therefore qualified in all respects by the scope of that examination.

Based upon and subject to the foregoing and to the qualifications and assumptions hereinafter set forth, I am of the opinion that:

1. The 2018 Series A Notes are exempt from the registration requirements of the Securities Act of 1933, as amended.
2. The Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.
3. The Continuing Disclosure Agreement complies with the specific requirements of Rule 15c2-12, as in effect on the date hereof, promulgated under the Securities Exchange Act of 1934, as amended.

In accordance with my understanding with you, I have rendered legal services to you in the course of your investigation pertaining to, and your participation in the preparation of, the Official Statement. I have not verified and am not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Official Statement. As co-counsel to the Underwriters, I have, however, in addition to my examination of the documents listed on the Closing Index referred to above and of certain other documents made available to me by the Authority, participated in certain telephone conferences and meetings with various parties involved with the issuance and sale of the 2018 Series A Notes and the preparation of the Official Statement, including without limitation, representatives of the Underwriters, Bond Counsel, the Authority, the New Jersey Department of Transportation, U.S. Bank National Association, as Trustee, the State's Office of Public Finance, the Office of the State Treasurer and the Office of the Attorney General of the State.

On the basis of the foregoing, and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to my attention in the course of my engagement as co-counsel to the Underwriters which would lead me to believe that, as of the date hereof, the Official Statement (except for any financial, tabular, demographic and statistical data and projections included therein, the information pertaining to the Depository Trust Company and its book-entry system, information under the caption "UNDERWRITING" (other than the first paragraph under such caption) and except for Appendices I - VI thereto, as to all of which I express no view) contains any untrue statement of a material fact 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.

This opinion is specifically limited to federal law and the internal laws of the State of New Jersey, as enacted and construed on the date hereof, and no opinion is expressed as to the effect the law of any other jurisdiction might have upon the subject matter of the opinions expressed herein under conflict of law principles or otherwise.

This opinion is given as of the date hereof, is limited to the matters expressly stated in the numbered paragraphs herein and is based on the assumptions and qualifications set forth herein. I make no undertaking to supplement this opinion if facts or circumstances hereafter come to my attention or changes in law occur after the date hereof.

This opinion is rendered solely in connection with the Underwriters' payment for and receipt of delivery of the 2018 Series A Notes from the Authority on the date hereof and may not be relied upon for any other purpose, or by any other individual or entity (including any purchaser of 2018 Series A Notes from the Underwriters or otherwise) nor may it be quoted, distributed or disclosed to any other individual or entity (including any purchaser of 2018 Series A Notes from the Underwriters or otherwise), without the prior my written consent in each instance.

Notwithstanding anything to contrary contained herein, I 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.) to the extent provided therein.

Very truly yours,

EXHIBIT D-2

FORM OF OPINION OF CO-COUNSEL TO UNDERWRITERS

_____, 2018

Morgan Stanley & Co. LLC, acting on behalf of itself and the
several Underwriters named in the
within-mentioned Purchase Contract

Re: New Jersey Transportation Trust Fund Authority
\$_____ Federal Highway Reimbursement Revenue Refunding Notes, 2018
Series A

Ladies and Gentlemen:

We have acted as counsel to the Underwriters (hereinafter defined) in connection with the purchase by the Underwriters from the New Jersey Transportation Trust Fund Authority (the "Authority") of the Authority's \$_____, aggregate principal amount, Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A (the "2018 Series A Notes").

The 2018 Series A Notes are being issued pursuant to: (i) the Constitution and laws of the State including, without limitation, the New Jersey Transportation Trust Fund Authority Act of 1984, as amended and supplemented (the "Act"); and (ii) a resolution of the Authority adopted on May 23, 2018 (the "Note Resolution"), and (iii) a Master Trust Indenture, dated as of October 26, 2016 (the "Master Indenture") by and between the Authority and U.S. Bank National Association, as Trustee (the "Trustee") as supplemented, including by a Second Supplemental Trust Indenture, dated as of _____, 2018, by and between the Authority and the Trustee (the "Second Supplemental Indenture" and, together with the Master Indenture, as supplemented, the "Indenture"). The 2018 Series A Notes are being sold by the Authority to the Underwriters pursuant to a Note Purchase Contract, dated _____, 2018 (the "Purchase Contract") between the Authority and Morgan Stanley & Co. LLC, acting on behalf of itself and the several underwriters named in the Purchase Contract (collectively, the "Underwriters"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Purchase Contract.

As the basis for this opinion, we have examined such matters of law and such documents and instruments as we deemed necessary, including, without limitation, the Act, the Note Resolution, the Authority's Official Statement, dated as of _____, 2018 (the "Official Statement"), the Continuing Disclosure Agreement, dated _____, 2018, by and between the Authority and U.S. Bank National Association, as Dissemination Agent (the "Continuing Disclosure Agreement"), and the other documents, certificates and legal opinions listed on the Index of Closing Documents (the "Closing Index"), dated _____, 2018, delivered at the closing for the 2018 Series A Notes.

In rendering this opinion, we have assumed and relied upon the authenticity, truthfulness, completeness and accuracy of all documents examined and of all representations set forth therein and the genuineness of all signatures thereon. We have not made any

independent investigation in rendering this opinion other than the examination referred to above. Our opinion is therefore qualified in all respects by the scope of that examination.

Based upon and subject to the foregoing and to the qualifications and assumptions hereinafter set forth, we are of the opinion that:

1. The 2018 Series A Notes are exempt from the registration requirements of the Securities Act of 1933, as amended.
2. The Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.
3. The Continuing Disclosure Agreement complies with the specific requirements of Rule 15c2-12, as in effect on the date hereof, promulgated under the Securities Exchange Act of 1934, as amended.

In accordance with our understanding with you, we have rendered legal services to you in the course of your investigation pertaining to, and your participation in the preparation of, the Official Statement. We have not verified and are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Official Statement. As counsel to the Underwriters, we have, however, in addition to our examination of the documents listed on the Closing Index referred to above and of certain other documents made available to us by the Authority, participated in certain telephone conferences and meetings with various parties involved with the issuance and sale of the 2018 Series A Notes and the preparation of the Official Statement, including without limitation, representatives of the Underwriters, Bond Counsel, the Authority, the New Jersey Department of Transportation, U.S. Bank National Association, as Trustee, the State's Office of Public Finance, the Office of the State Treasurer and the Office of the Attorney General of the State.

On the basis of the foregoing, and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to our attention in the course of our engagement as counsel to the Underwriters which would lead us to believe that, as of the date hereof, the Official Statement (except for any financial, tabular, demographic and statistical data and projections included therein, the information pertaining to the Depository Trust Company and its book-entry system, information under the caption "UNDERWRITING" (other than the first paragraph under such caption) and except for Appendices I - VI thereto, as to all of which we express no view) contains any untrue statement of a material fact 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.

This opinion is specifically limited to federal law and the internal laws of the State of New Jersey, as enacted and construed on the date hereof, and no opinion is expressed as to the effect the law of any other jurisdiction might have upon the subject matter of the opinions expressed herein under conflict of law principles or otherwise.

This opinion is given as of the date hereof, is limited to the matters expressly stated in the numbered paragraphs herein and is based on the assumptions and qualifications set forth herein. We make no undertaking to supplement this opinion if facts or circumstances hereafter come to our attention or changes in law occur after the date hereof.

This opinion is rendered solely in connection with the Underwriters' payment for and receipt of delivery of the 2018 Series A Notes from the Authority on the date hereof and may not be relied upon for any other purpose, or by any other individual or entity (including any purchaser of 2018 Series A Notes from the Underwriters or otherwise) nor may it be quoted, distributed or disclosed to any other individual or entity (including any purchaser of 2018 Series A Notes from the Underwriters or otherwise), without the prior written consent in each instance of a member of the undersigned law firm.

Notwithstanding anything to 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.) to the extent provided therein.

Very truly yours,

EXHIBIT E

FORM OF ISSUE PRICE CERTIFICATE

_____, 2018

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

Chiesa Shahinian & Giantomasi PC
One Boland Drive
West Orange, New Jersey 07052

Re: New Jersey Transportation Trust Fund Authority
\$_____ Federal Highway Reimbursement Revenue Refunding Notes, 2018
Series A

This Certificate is furnished by the undersigned (collectively, the "Representative") on behalf of itself and the other Underwriters (collectively, the "Underwriting Group") listed in Schedule 1 to the Note Purchase Contract, dated _____, 2018, executed and delivered in connection with the sale and issuance of the above-captioned Notes (the "Note Purchase Contract"), and the Representative hereby certifies and represents the following, based upon information available to us:

[Select either A, B, or C for Section 1 and delete the other alternatives of Section 1.]

[A: Use the following version of Section 1 if ALL Maturities Use the General Rule:]

1. **Sale of the Notes.** As of the date of this Certificate, for each Maturity of the Notes, the first price at which at least 10% of such Maturity of the Notes was sold to the Public is the respective price listed in Schedule A attached to this Certificate.

[B: Use the following version of Section 1 if some Maturities Use the General Rule and some use the Hold-the-Offering-Price Rule:]

1. **Sale of the Notes.**

(a) **The General Rule Maturities.** As of the date of this Certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Notes was sold to the Public is the respective price listed in Schedule A attached to this Certificate ("Schedule A").

(b) **The Hold-the-Offering-Price Maturities.** Members of the Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Notes is attached to this Certificate as Schedule B. As set forth in the Note Purchase Contract, the Representative agreed in writing that (i) for each Maturity of the Hold-the-Offering-Price Maturities, the members

of the Underwriting Group would neither offer nor sell any of the unsold Notes of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. The Representative has not offered or sold any unsold Notes within a Maturity of the Notes at a price that is higher than the respective Initial Offering Price for that Maturity of the Notes during the Holding Period. Each of the other members of the Underwriting Group [and each selling group member] has represented that it would not offer or sell any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Notes during the Holding Period.

[C: Use the following version of Section 1 if ALL Maturities Use the Hold-the-Offering-Price Rule:]

1. **Sale of the Notes.** Members of the Underwriting Group offered the Notes to the Public for purchase at the respective initial offering prices listed in Schedule A attached to this Certificate (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Notes is attached to this Certificate as Schedule B. As set forth in the Note Purchase Contract, the Representative agreed in writing that (i) for each Maturity of the Notes, the members of the Underwriting Group would neither offer nor sell any of the unsold Notes of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. The Representative has not offered or sold any unsold Notes within a Maturity of the Notes at a price that is higher than the respective Initial Offering Price for that Maturity of the Notes during the Holding Period. Each of the other members of the Underwriting Group [and each selling group member] has represented that it would not offer or sell any Maturity of the Notes at a price that is higher than the respective Initial Offering Price for that Maturity of the Notes during the Holding Period.

2. **Defined Terms.** Capitalized terms used but not defined in this Certificate shall have the meanings given such terms in the Note Purchase Contract or in the Indenture (as such term is defined in the Note Purchase Contract). The following terms shall have the following meanings for the purposes of this Certificate:

[Delete defined terms that are not required (depending on which version of Section 1 is used) and re-letter if necessary.]

[(a) *General Rule Maturities* means those Maturities of the Notes listed in Schedule A as the “General Rule Maturities.”]

[(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Notes listed in Schedule A as the “Hold-the-Offering-Price Maturities.”]

[(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2018), or (ii) the date on which the members of

the Underwriting Group have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at a price that is no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

[(d)] *Issuer* means the Transportation Trust Fund Authority.

[(e)] *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate maturities.

[(f)] *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

[(g)] *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is _____, 2018.

[(h)] *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this sentence to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

3. ***Yield.*** We have been advised by Bond Counsel that the yield on a fixed yield issue of tax-exempt bonds is the discount rate that, when used in computing the present value as of the issue date of all unconditionally payable payments of principal, interest, and fees for qualified guarantees on the issue and amounts reasonably expected to be paid as fees for qualified guarantees on the issue, produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of the bonds of the issue as of the issue date. For purposes of calculating the yield on the Notes in accordance with the foregoing definition, we have been advised by Bond Counsel to take into account certain redemptions as described below:

(a) ***Certain Notes Subject to Optional Early Redemption.*** The Notes maturing on June 15 in the years _____ (collectively, the “Callable Premium Notes”) are each issued at an issue price that exceeds their stated redemption price at maturity by more than one-fourth of one percent (0.25%) multiplied by the product of the stated redemption price at maturity and the number of complete years to the first optional redemption date of such Notes. The Callable Premium Notes are subject to optional early redemption. As advised by Bond Counsel, in calculating the yield on the Notes, the Callable Premium Notes have each been

treated as redeemed at their respective stated redemption prices on the optional redemption date that would produce the lowest yield on such Notes.

The yield on the Notes, calculated in the manner described in this Section 3, is ____%. For purposes hereof, yield has been calculated on a 360-day basis with interest compounded semiannually.

4. **Weighted Average Maturity.** Bond Counsel has instructed us to calculate the weighted average maturity of the Notes using the following formula: The weighted average maturity of the Notes equals the sum of the products of the issue price of each maturity and years to maturity from delivery date (and by taking into account mandatory redemptions) divided by the aggregate issue price of the Notes; as so calculated, the weighted average maturity of the Notes is ____ years. We have been advised by Bond Counsel that we may assume that the “issue price” of the Notes is the aggregate of their initial offering prices and that the methodology described in this Section 4 is appropriate. As of the issue date of the Notes, the remaining weighted average maturity of the 2016 Series A Notes to be Refunded, calculated using the same methodology described in this Section 4, is ____ years.

5. **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 Notes is reasonable and customary under the circumstances.

6. **Market Based Premium.** The amount of the premium included in the pricing of the Notes is reasonable to efficiently market the Notes.

We understand that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and by Chiesa Shahinian & Giantomasi PC, Bond Counsel, in connection with rendering its opinion to the Issuer that the interest on the Notes is not includable in gross income of the owners thereof for federal income tax purposes. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws; in particular the regulations under the Internal Revenue Code of 1986, as amended, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein and, in certain cases, the Representative may be relying on representations made by other members of the Underwriting Group. Although certain information furnished in this Certificate has been derived from other purchasers, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

Very truly yours,

**Morgan Stanley & Co. LLC,
on behalf of the Underwriters, including itself**

By: _____
Name:
Title:

EXHIBIT F

**FORM OF
CERTIFICATION OF UNDERWRITER AS TO DISCLOSURE**

I, _____, _____ of Morgan Stanley & Co. LLC, as Manager (the "Manager"), in reliance upon the representations and warranties made to the Manager in the Agreement Among Underwriters, dated _____, 2018, by the other Underwriters (collectively the "Underwriters") listed in Schedule I to the Note Purchase Contract, dated _____, 2018 (the "Purchase Contract"), 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 \$ _____ Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A (the "Notes"), HEREBY CERTIFY on behalf of the Manager and the Underwriters that the information contained under the heading "UNDERWRITING" in the Official Statement dated _____, 2018 did not, as of the date thereof, and does not, as of the date hereof, 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.

IN WITNESS WHEREOF, I have hereunto set my hand as of the ____ day of _____, 2018.

MORGAN STANLEY & CO. LLC

By: _____
Name:
Title:

EXHIBIT G-1

CERTIFICATE OF NJDOT DATED THE DATE OF SALE OF THE 2018 SERIES A NOTES

This Certificate is being executed and delivered pursuant to Section 8(b) of the Note Purchase Contract, dated _____, 2018 (the "Note Purchase Contract"), between the New Jersey Transportation Trust Fund Authority (the "Authority") and the Underwriters named therein, relating to the Authority's \$_____ Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A (the "Notes"), as more fully described in the Official Statement relating to the Notes, dated _____, 2018 (the "Official Statement"). Capitalized terms not otherwise defined in this Certificate shall have the meanings ascribed thereto in the Note Purchase Contract.

I, GARY BRUNE, the Chief Financial Officer of the New Jersey Department of Transportation, hereby certify that the statements and information contained in the Official Statement under the captions "NEW JERSEY DEPARTMENT OF TRANSPORTATION" and "NEW JERSEY RECEIPTS OF FEDERAL TRANSPORTATION FUNDS" did not, as of the date thereof, 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.

IN WITNESS WHEREOF, I have hereunto set my hand as of the ____ day of _____, 2018.

NEW JERSEY DEPARTMENT OF TRANSPORTATION

By: _____
Name: GARY BRUNE
Title: Chief Financial Officer

EXHIBIT G-2

CERTIFICATE OF NJDOT DATED THE DATE OF CLOSING

This Certificate is being executed and delivered pursuant to Section 8(c) of the Note Purchase Contract, dated _____, 2018 (the "Note Purchase Contract"), between the New Jersey Transportation Trust Fund Authority (the "Authority") and the Underwriters named therein, relating to the Authority's \$_____ Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A (the "Notes"), as more fully described in the Official Statement relating to the Notes, dated _____, 2018 (the "Official Statement"). Capitalized terms not otherwise defined in this Certificate shall have the meanings ascribed thereto in the Note Purchase Contract.

I, GARY BRUNE, the Chief Financial Officer of the New Jersey Department of Transportation, hereby certify that the statements and information contained in the Official Statement under the caption "NEW JERSEY DEPARTMENT OF TRANSPORTATION" and "NEW JERSEY RECEIPTS OF FEDERAL TRANSPORTATION FUNDS" do not, as of the date 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.

IN WITNESS WHEREOF, I have hereunto set my hand as of the ____ day of _____, 2018.

NEW JERSEY DEPARTMENT OF TRANSPORTATION

By: _____
Name: GARY BRUNE
Title: Chief Financial Officer

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: Fitch:
Moody's:
S&P:
(See "RATINGS" herein)

\$ _____ *

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
FEDERAL HIGHWAY REIMBURSEMENT REVENUE REFUNDING NOTES, 2018 SERIES A

Dated: Date of Delivery

Maturity date: _____, as set forth on inside cover

This Official Statement has been prepared by the New Jersey Transportation Trust Fund Authority (the "Authority") to provide information on its \$ _____* Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A (the "2018 Notes"). **This cover page contains certain information for quick reference only. Investors should read this entire Official Statement, including all Appendices attached hereto, to obtain information essential to the making of an informed investment decision.**

Tax Exemption: In the opinion of Bond Counsel, assuming compliance by the Authority with certain tax requirements described in "TAX MATTERS" herein, under existing law, interest on the 2018 Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax. Although the federal corporate alternative minimum tax is repealed for taxable years beginning on and after January 1, 2018, for taxable years that began before January 1, 2018, interest on the 2018 Notes will be included in the calculation of the federal alternative minimum tax imposed on corporations as a result of the inclusion of interest on the 2018 Notes in "adjusted current earnings." Based upon existing law, interest on the 2018 Notes and any gain realized on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended. See "TAX MATTERS" herein.

Security: The 2018 Notes are special, limited obligations of the Authority secured solely by the Trust Estate (as defined herein) and payable from Pledged Revenues (as defined herein) and amounts on deposit in the funds and accounts established under the Indenture (as defined herein) (except for the Construction Fund, Costs of Issuance Fund, Expense Fund and Rebate Fund, as defined in and established in the Indenture). The 2018 Notes constitute Indirect GARVEE Notes (as defined herein) under the Indenture, and together with all other Indirect GARVEE Notes issued under the Indenture, are payable solely from that portion of the Pledged Revenues that constitute Reimbursement Revenues (as defined herein). The 2018 Notes are not secured by or payable from Grant Revenues (as defined herein). Reimbursement Revenues consist of certain Federal Transportation Funds (as defined herein) which are payable by the Commissioner (the "Commissioner") of the New Jersey Department of Transportation (the "NJDOT") to the Trustee, as assignee of the Authority, under a funding agreement, dated as of October 26, 2016 (the "2016 Reimbursement Revenue Funding Agreement"), between the Commissioner and the Authority, as amended by a First Amendment to Reimbursement Revenue Funding Agreement, dated as of _____, 2018 (the "First Amendment to Reimbursement Revenue Funding Agreement"), relating to the 2018 Notes as the same may be amended hereafter in connection with the issuance of future series of Indirect GARVEE Notes and Gross Funded Direct GARVEE Notes (as defined herein), if any. The 2016 Reimbursement Revenue Funding Agreement, as amended by the First Amendment to Reimbursement Revenue Funding Agreement and as the same may be amended hereafter, is referred to herein as the "Reimbursement Revenue Funding Agreement." The Commissioner and the Authority will enter into a separate funding agreement for each series of Direct GARVEE Notes (as defined herein), including Gross Funded Direct GARVEE Notes, issued from time to time under the Indenture (each such funding agreement, a "Direct GARVEE Funding Agreement;" each Reimbursement Revenue Funding Agreement and each Direct GARVEE Funding Agreement, a "Funding Agreement"), pursuant to which the Commissioner shall pay to the Trustee the Grant Revenues relating to the series of Direct GARVEE Notes, including Gross Funded Direct GARVEE Notes, which shall be used to pay debt service on such Direct GARVEE Notes, including Gross Funded Direct GARVEE Notes. Gross Funded Direct GARVEE Notes are additionally secured by and payable from Reimbursement Revenues pursuant to the Reimbursement Revenue Funding Agreement as described above. See "SOURCES OF PAYMENT AND SECURITY FOR THE 2018 NOTES - Property Pledged to the 2018 Notes; the Funding Agreements; the Act; the Indenture" herein and "APPENDIX III – COPY OF 2016 REIMBURSEMENT REVENUE FUNDING AGREEMENT AND FORM OF FIRST AMENDMENT TO REIMBURSEMENT REVENUE FUNDING AGREEMENT."

A failure by the Commissioner to make any payments under any Funding Agreement by reason of the occurrence of an Event of Non-Appropriation or Unavailability of Federal Transportation Funds (each as defined herein) shall not constitute an Event of Default under such Funding Agreement. The New Jersey State Legislature is under no legal obligation to make appropriations for the purpose of making payments under any such Funding Agreement. All liabilities or potential liabilities of the Commissioner under each Funding Agreement are further subject to the provisions of N.J.S.A. 59:1-1 *et seq.* and of N.J.S.A. 59:13-1 *et seq.* See "INTRODUCTION – Non-Appropriation; Unavailability of Federal Transportation Funds" and "SOURCES OF PAYMENT AND SECURITY FOR THE 2018 NOTES – Property Pledged to the 2018 Notes; the Funding Agreements, the Act, the Indenture" herein.

THE NOTES, INCLUDING THE 2018 NOTES AND RELATED FINANCING FACILITY PAYMENT OBLIGATIONS, AND ALL OTHER OBLIGATIONS UNDER THE INDENTURE SHALL NOT BE A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY (THE "STATE") OR OF ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT PROVIDED IN THE INDENTURE) 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 PROVIDED IN THE INDENTURE) 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.

Purpose: Proceeds of the 2018 Notes will be used to pay: (i) the costs of refunding the Notes to be Refunded (as defined herein) and (ii) the costs of issuance of the 2018 Notes. See "PLAN OF REFUNDING" herein.

Interest Payment Dates: Interest on the 2018 Notes is payable on June 15 and December 15, commencing December 15, 2018.

Redemption: The 2018 Notes are subject to redemption prior to maturity as described herein. See "DESCRIPTION OF THE 2018 NOTES" herein.

Denominations: The 2018 Notes will be issued in denominations of \$5,000 or any integral multiple in excess thereof.

Trustee: U.S. Bank National Association, Morristown, New Jersey.

Issuer Contact: Office of Public Finance, New Jersey Department of the Treasury (609) 984-4888.

The 2018 Notes are offered when, as and if delivered and subject to the receipt of the approving legal opinion of Chiesa Shahinian & Giantomasi PC, West Orange, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by the Attorney General of the State, and for the Underwriters by their co-counsel, M. Jeremy Ostow, Esq., South Orange, New Jersey, and McManimon, Scotland & Baumann, LLC, Roseland, New Jersey. The 2018 Notes in definitive form are expected to be available for delivery through DTC (as defined herein) in New York, New York, on or about _____, 2018.

Morgan Stanley

* Preliminary, subject to change.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

\$_____*

**FEDERAL HIGHWAY REIMBURSEMENT REVENUE REFUNDING NOTES,
2018 SERIES A**

**MATURITIES, PRINCIPAL AMOUNTS*, INTEREST RATES, YIELDS
AND CUSIP¹ NUMBERS**

<u>Maturity Date (June 15)</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP¹</u>
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** Preliminary, subject to change.*

¹ Registered trademark of American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by Standard & Poor's, Capital IQ. The CUSIP numbers listed above are being provided solely for the convenience of Noteholders only at the time of issuance of the 2018 Notes, 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 2018 Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part 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 2018 Notes.

IN CONNECTION WITH THE OFFERING OF THE 2018 NOTES, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2018 NOTES 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 2018 NOTES 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 2018 Notes 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 2018 Notes 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 The Depository Trust Company ("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 2018 Notes, the principal documents related to the security for the 2018 Notes 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 2018 Notes, and all references to the 2018 Notes are qualified in their entirety by reference to the definitive form thereof and the information with respect thereto contained in the Note Resolution (as defined herein).

The 2018 Notes have not been registered under the Securities Act of 1933, as amended, and the Note 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 2018 Notes and the security therefor, including an analysis of the risks involved. The 2018 Notes have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the 2018 Notes in accordance with applicable provisions of securities laws of the various jurisdictions in which the 2018 Notes 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 2018 Notes or the adequacy, accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “assumes” and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties include, among others, changes in law and regulations, general economic and business conditions relating to the Authority or changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the Authority. These forward-looking statements speak only as of the date of this Official Statement. The Authority disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Authority’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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OFFICIAL STATEMENT

relating to

\$ _____ *

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY FEDERAL HIGHWAY REIMBURSEMENT REVENUE REFUNDING NOTES, 2018 SERIES A

INTRODUCTION

General

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 \$ _____ * Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A (the "2018 Notes"). The 2018 Notes are being issued for the purposes of: (i) providing funds to refund all or a portion of the Authority's \$1,300,000,000 Federal Highway Reimbursement Revenue Notes, 2016 sub-Series A-2 (as more particularly described on Appendix VIII, the "Notes to be Refunded"), and (ii) paying the costs of issuance of the 2018 Notes. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The 2018 Notes are being issued pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984, as amended and supplemented, constituting N.J.S.A. 27:1B-1 *et seq.* (the "Act"), a resolution adopted by the Authority on May 23, 2018 (the "Note Resolution") and a Master Trust Indenture, dated as of October 26, 2016 (the "Master Indenture"), by and between the Authority and U.S. Bank National Association, as Trustee (the "Trustee"), as supplemented, including by a Second Supplemental Trust Indenture, dated as of _____, 2018, by and between the Authority and the Trustee (the "Second Supplemental Indenture," the Master Indenture, as supplemented, including by the Second Supplemental Indenture, and as the same may be further supplemented and amended in the future, is referred to herein as the "Indenture").

The Indenture constitutes a contract between the Authority and the holders of the notes issued and outstanding thereunder. All such notes, including the 2018 Notes, are referred to collectively as the "Notes." The 2018 Notes offered hereby are the third Series of Notes to be issued under the Indenture and constitute Indirect GARVEE Notes (hereinafter defined) under the Indenture. All capitalized terms used but not defined in this Official Statement shall have the meanings given to them in the Master Indenture. See "APPENDIX II - COPY OF THE MASTER INDENTURE."

The Authority; The Act

The Authority was created by the State of New Jersey (the "State") in 1984 pursuant to the Act, to provide a stable, predictable funding mechanism for transportation system improvements undertaken by the New Jersey Department of Transportation ("NJDOT"). Transportation system improvements financed by the Authority include expenditures for the

* Preliminary, subject to change.

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 authorizes the issuance of notes in anticipation of the receipt of appropriations, grants, reimbursements or other funds, including without limitation, grants from the federal government for federal-aid highways or public transportation systems, the principal of or interest on which, or both, shall be payable out of the proceeds of appropriations, grants, reimbursements or other funds, which notes shall not be subject to any limitation on the amount of debt that the Authority can issue under Section 9(i) of the Act.

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 ("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 issuance of the 2018 Notes was approved by JBOC on _____, 2018.

Security

The Notes, including the 2018 Notes, and any related Financing Facility Payment Obligations, are special, limited obligations of the Authority secured solely by the Trust Estate (as defined herein) and payable from Pledged Revenues (as defined herein) and amounts on deposit in the funds and accounts established under the Indenture (except for the Construction Fund, Costs of Issuance Fund, Expense Fund and Rebate Fund, as defined in and established in the Indenture). The 2018 Notes constitute Federal Highway Reimbursement Revenue Notes (also known as Indirect GARVEE Notes) under the Master Indenture and, together with all other Indirect GARVEE Notes issued under the Indenture and related Financing Facility Payment Obligations, if any, are payable solely from that portion of the Pledged Revenues that constitute Reimbursement Revenues (as defined herein) under the Master Indenture. Under the Master Indenture, the Authority may also issue (i) Federal Highway Grant Anticipation Revenue Notes (also known as Direct GARVEE Notes) which, together with related Financing Facility Payment Obligations, if any, are payable solely from that portion of the Pledged Revenues that constitute Grant Revenues (as defined herein); and (ii) Gross Funded Direct GARVEE Notes (as defined herein) which, together with related Financing Facility Payment Obligations, if any, are payable from Grant Revenues and are additionally secured by and payable from Reimbursement Revenues. The 2018 Notes are not secured by or payable from Grant Revenues.

The Pledged Revenues consist of, *inter alia*, all revenues and funds received by or on behalf of or available to NJDOT pursuant to Title 23 of the United States Code, any extension of Title 23, or any successor to Title 23 authorizing federal funding of state highways that are legally available for (i) the payment of debt service on any Outstanding Direct GARVEE Notes and (ii) the reimbursement of eligible costs related to a Federal Project, which reimbursements constitute Reimbursement Revenues ("Federal Transportation Funds"). Reimbursement Revenues consist

of certain Federal Transportation Funds which are payable by the Commissioner to the Trustee, as assignee of the Authority, under a funding agreement, dated as of October 26, 2016 (the "2016 Reimbursement Revenue Funding Agreement"), by and between the Commissioner and the Authority, as amended by a First Amendment to Reimbursement Revenue Funding Agreement, dated as of _____, 2018 (the "First Amendment to Reimbursement Revenue Funding Agreement"), relating to the 2018 Notes as the same may be amended hereafter in connection with the issuance of future series of Indirect GARVEE Notes and Gross Funded Direct GARVEE Notes (as defined herein), if any. The 2016 Reimbursement Revenue Funding Agreement, as amended by the First Amendment to Reimbursement Revenue Funding Agreement and as the same may be amended hereafter, is referred to herein as the "Reimbursement Revenue Funding Agreement." The Commissioner and the Authority will enter into a separate funding agreement for each series of Direct GARVEE Notes (as defined herein), including Gross Funded Direct GARVEE Notes, issued from time to time under the Indenture (each such funding agreement, a "Direct GARVEE Funding Agreement;" each of the Reimbursement Revenue Funding Agreement and each Direct GARVEE Funding Agreement, a "Funding Agreement"), pursuant to which the Commissioner shall pay to the Trustee the Grant Revenues relating to the series of Direct GARVEE Notes, including Gross Funded Direct GARVEE Notes, which shall be used to pay debt service on such Direct GARVEE Notes, including Gross Funded Direct GARVEE Notes. Gross Funded Direct GARVEE Notes are additionally secured by and payable from Reimbursement Revenues pursuant to the Reimbursement Revenue Funding Agreement as described above. See "SOURCES OF PAYMENT AND SECURITY FOR THE 2018 NOTES - Property Pledged to the 2018 Notes; the Funding Agreements; the Act; the Indenture" herein and "APPENDIX III – COPY OF 2016 REIMBURSEMENT REVENUE FUNDING AGREEMENT AND FORM OF FIRST AMENDMENT TO REIMBURSEMENT REVENUE FUNDING AGREEMENT."

A failure by the Commissioner to make any payments under any Funding Agreement by reason of the occurrence of an Event of Non-Appropriation or Unavailability of Federal Transportation Funds (each as defined herein) shall not constitute an Event of Default under such Funding Agreement or under the Indenture. The State Legislature is under no legal obligation to make appropriations for the purpose of making payments under any such Funding Agreement. All liabilities or potential liabilities of the Commissioner under the Funding Agreements are further subject to the provisions of N.J.S.A. 59:1-1 *et seq.* and of N.J.S.A. 59:13-1 *et seq.* See "INTRODUCTION – Non-Appropriation; Unavailability of Federal Transportation Funds" herein and "SOURCES OF PAYMENT AND SECURITY FOR THE 2018 NOTES - Property Pledged to the 2018 Notes; the Funding Agreements; the Act; the Indenture."

THE 2018 NOTES, ANY FINANCING FACILITY PAYMENT OBLIGATIONS ISSUED UNDER THE INDENTURE AND ALL OTHER OBLIGATIONS ISSUED UNDER THE INDENTURE SHALL NOT BE A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT PROVIDED IN THE INDENTURE) 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 PROVIDED IN THE INDENTURE) 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.

Prior Notes and 2016 Bank Financing

The Authority has previously issued its \$2,741,425,000 Federal Highway Reimbursement Revenue Notes, 2016 Series A (the “2016 Series A Notes”), consisting of \$1,441,425,000 Federal Highway Reimbursement Revenue Notes, 2016 sub-Series A-1 (the “2016 sub-Series A-1 Notes”) and \$1,300,000,000 Federal Highway Reimbursement Revenue Notes, 2016 sub-Series A-2 (the “2016 sub-Series A-2 Notes”) for the purposes of: (i) paying State Transportation System Costs (as defined herein), including capitalized interest on the 2016 Series A Notes to and including June 15, 2018, and (ii) paying costs of issuance of the 2016 Series A Notes.

Concurrently with the issuance of the 2016 Series A Notes, the Authority issued its \$500,000,000 Federal Highway Reimbursement Revenue Notes, 2016 Series B (the “2016 Series B Notes,” and together with the 2016 Series A Notes, the “Prior Notes”) to evidence a term loan (the “2016 Bank Loan”) made to the Authority by Bank of America, N.A. (the “Bank”). The 2016 Series A Notes and the 2016 Series B Notes constitute Indirect GARVEE Notes under the Master Indenture and were issued on a parity.

Upon issuance, the 2018 Notes will be on a parity with the then Outstanding Prior Notes. See “SOURCES OF PAYMENT AND SECURITY FOR THE 2018 NOTES – Prior Notes; 2016 Bank Financing,” “DEBT SERVICE SCHEDULE,” “DEBT SERVICE COVERAGE” and “APPENDIX VII – 2016 SERIES B NOTE PREPAYMENT EVENTS” herein.

Federal Transportation Funds

Under Title 23 of the United States Code or any successor highway program established under federal law (the “Federal-Aid Highway Program”), Federal Transportation Funds are paid to the NJDOT out of revenues collected by the United States Treasury from certain federal taxes on gasoline, tire sales, truck sales, and other items and deposited into the Federal Highway Trust Fund for distribution, subject to appropriation by the United States Congress (the “Congress”), to the states in accordance with the federal highway aid programs established initially by the Federal-Aid Highway Act of 1956 and continued under successor statutes. The amount of Federal Transportation Funds to be received by the NJDOT, and accordingly the Authority’s ability to repay the 2018 Notes, will be dependent on the flow of deposits into the Federal Highway Trust Fund, Congressional reauthorization of the Federal-Aid Highway Program, and the administration by NJDOT of the Federal-Aid Highway Program in the State. For more complete information, see “INFORMATION CONCERNING THE FUNDING OF FEDERAL AID - HIGHWAYS” and “NEW JERSEY RECEIPTS OF FEDERAL TRANSPORTATION FUNDS” herein.

Event of Non-Appropriation; Unavailability of Federal Transportation Funds

As set forth in the Master Indenture, the failure of the Authority to pay in full the Note Payment Obligations on the 2018 Notes, or any other Notes, or any Financing Facility Payment Obligations, when due, or to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Master Indenture or the Notes, including the 2018 Notes, is an Event of Default under the Master Indenture. The Notes, including the 2018 Notes, are not subject to acceleration upon the occurrence of an Event of Default. See APPENDIX II – “COPY OF MASTER INDENTURE – ARTICLE IX – EVENTS OF DEFAULT; REMEDIES OF OWNERS.”

Notwithstanding the foregoing, a failure by the Authority to pay in full any Note Payment Obligations on any Notes, including the 2018 Notes, or any Financing Facility Payment Obligations, or to observe and perform any covenant, condition or agreement under the Master Indenture or the Notes, including the 2018 Notes, resulting from an Event of Non-Appropriation

or the Unavailability of Federal Transportation Funds does not constitute an Event of Default under the Master Indenture.

“Event of Non-Appropriation” means, with respect to any Fiscal Year, the failure of the State Legislature to appropriate Federal Transportation Funds to NJDOT in the Annual Appropriations Act for such Fiscal Year (including, without limitation, the reduction or cancellation of an appropriation pursuant to an amendment to the Annual Appropriations Act for such Fiscal Year) in an amount sufficient in the aggregate to pay in full when due (i) in the case of the Notes and Financing Facilities, all Note Payment Obligations and Financing Facility Payment Obligations due and payable in such Fiscal Year, and (ii) in the case of Subordinate Debt and Subordinate Debt Financing Facilities, all Subordinate Debt Payment Obligations and Subordinate Debt Financing Facility Payment Obligations due and payable in such Fiscal Year.

“Annual Appropriations Act” means the Annual Appropriations Act of the State in effect for each Fiscal Year, including, without limitation, any amendments to such Annual Appropriations Act enacted during the course of such Fiscal Year.

“Unavailability of Federal Transportation Funds” means, with respect to any Fiscal Year, either (i) the unavailability to NJDOT of Obligation Authority (as defined below) for Federal Transportation Funds in such Fiscal Year, or (ii) the non-receipt of Federal Transportation Funds by NJDOT from FHWA (as defined herein) in such Fiscal Year, provided that, in the case of any such non-receipt described in this clause (ii), NJDOT shall have requested Federal Transportation Funds from FHWA and such non-receipt shall not have been caused by a failure of NJDOT to comply with any FHWA requirements that are within NJDOT’s reasonable control, in each case in an amount sufficient in the aggregate to pay in full when due (A) in the case of the Notes and Financing Facilities, all Note Payment Obligations and Financing Facility Payment Obligations due and payable in such Fiscal Year, and (B) in the case of Subordinate Debt and Subordinate Debt Financing Facilities, all Subordinate Debt Payment Obligations and Subordinate Debt Financing Facility Payment Obligations due and payable in such Fiscal Year.

“Obligation Authority” means, at any point in time, the amount of funds that has been obligated by FHWA to NJDOT pursuant to Federal Aid Authorization and that is available to be requisitioned from FHWA by NJDOT.

“Federal Aid Authorization” means, as applicable, (a) Title 23 of the United States Code, (b) any extension of Title 23, or (c) any successor to Title 23 authorizing federal funding of state highways.

Upon the occurrence of an Event of Non-Appropriation or Unavailability of Federal Transportation Funds, the Trustee, on behalf of the holders of the Notes, including the 2018 Notes, and any Financing Facility provider, has no remedies. See APPENDIX II – “COPY OF MASTER INDENTURE – ARTICLE IX – EVENTS OF DEFAULT; REMEDIES OF OWNERS.”

All references in this Official Statement to the Act, the Note Resolution, the Indenture and the Reimbursement Revenue Funding Agreement are qualified in their entirety by reference to the complete text of the Act, the Note Resolution, the Indenture and the Reimbursement Revenue Funding Agreement, and all references to the 2018 Notes are qualified in their entirety by reference to the definitive form thereof and the provisions with respect thereto contained in the Second Supplemental Indenture.

DESCRIPTION OF THE 2018 NOTES

General

Copies of the Note Resolution, the Master Indenture, the Second Supplemental Indenture, including the full text of the form of the 2018 Notes, the 2016 Reimbursement Revenue Funding Agreement and the First Amendment to Reimbursement Revenue Funding Agreement 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 2018 Notes and is qualified by reference thereto.

The 2018 Notes will be dated and bear interest from 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 December 15, 2018, and semiannually thereafter on June 15 and December 15 in each year, until maturity or prior redemption. Interest will be payable by the Paying Agent to those registered owners of the applicable 2018 Notes whose names appear on the Note Register as of the fifteenth (15th) day next preceding each June 15 and December 15 (the “Record Date”). Interest on the 2018 Notes will be computed on the basis of a 360-day year consisting of twelve 30-day months. The principal and redemption price of the 2018 Notes will be payable upon presentation and surrender of the 2018 Notes at the corporate trust office of the Paying Agent designated by the Paying Agent.

The Depository Trust Company (“DTC”) will act as Securities Depository for the 2018 Notes. So long as DTC or its nominee is the registered owner of the 2018 Notes, payments of the principal of and interest on the 2018 Notes 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 2018 Notes. See “APPENDIX VI - BOOK-ENTRY ONLY SYSTEM.”

The 2018 Notes will be issued in the form of a fully registered certificate for each maturity and, if applicable, interest rate within a maturity of the 2018 Notes, with such certificates being in the aggregate principal amount of the 2018 Notes, and when issued, will be registered in the name of Cede & Co., as nominee of DTC. See “APPENDIX VI - BOOK-ENTRY ONLY SYSTEM.”

Redemption Provisions

Optional Redemption^{*}. The 2018 Notes maturing on or before June 15, 2026 are not subject to optional redemption prior to maturity. The 2018 Notes maturing on or after June 15, 2027, are subject to optional redemption prior to maturity at the option of the Authority, at any time on or after June 15, 2026, 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 2018 Notes being redeemed, plus accrued interest thereon to the redemption date.

Selection of 2018 Notes to be Redeemed. If less than all 2018 Notes of a Series are called for redemption, the Authority will select the maturity or maturities of the 2018 Notes to be redeemed. If less than all of the 2018 Notes of like maturity shall be called for prior redemption, the particular 2018 Notes or portions of 2018 Notes to be redeemed shall be selected by lot or by such other method the Trustee shall deem fair and appropriate. However, the portion of any 2018 Note to be redeemed shall be in the principal amount of \$5,000 or any multiple thereof, and in

^{*} Preliminary, subject to change.

selecting 2018 Notes for redemption, the Trustee is required to treat each such 2018 Note as representing that number of 2018 Notes which is obtained by dividing the principal amount of such 2018 Note by \$5,000. While the 2018 Notes are in book-entry only form, if less than all of the 2018 Notes are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant (as such term is defined in APPENDIX VI) to be redeemed.

Notice of Redemption

When the Trustee shall receive notice from the Authority of its election or direction to redeem the 2018 Notes, and when redemption of the 2018 Notes is authorized or required pursuant to the Indenture, the Trustee shall give notice, in the name of the Authority, of the redemption of such 2018 Notes, which notice shall specify the maturities of the 2018 Notes 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 2018 Notes of the same maturity are to be redeemed, the letters and numbers or other distinguishing marks of such 2018 Notes so to be redeemed, and, in the case of 2018 Notes 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 2018 Notes to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of 2018 Notes 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 2018 Notes or portions of 2018 Notes which are to be redeemed, at their last addresses, if any, appearing upon the Note Registry. Failure of the registered owner of any 2018 Note which is to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of 2018 Notes.

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 2018 Notes 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 2018 Notes, all notices of redemption required to be given to the registered owners of the 2018 Notes will be given to DTC.

Mandatory Tender for Purchase in Lieu of Optional Redemption

Whenever any 2018 Notes 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 2018 Notes, elect to call such 2018 Notes for mandatory tender for purchase in lieu of optional redemption at a purchase price equal to the then applicable Redemption Price of such 2018 Notes. 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 Noteholders (or such shorter period as shall be acceptable to the Trustee). The provisions of the Indenture applicable to the redemption of 2018 Notes at the option of the Authority shall also apply to a mandatory tender for purchase of such 2018 Notes in lieu of optional redemption at the Authority's election.

Book-Entry Only System

The information in APPENDIX VI - BOOK-ENTRY ONLY SYSTEM 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.

Neither the DTC Participants nor the Beneficial Owners (as such terms are defined in APPENDIX VI – BOOK-ENTRY ONLY SYSTEM) should rely on such information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

THE AUTHORITY, THE TRUSTEE, AND THE PAYING AGENT 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 2018 NOTES, (I) PAYMENTS OF PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE 2018 NOTES, (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTEREST IN 2018 NOTES OR (III) NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE HOLDER OF THE 2018 NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN APPENDIX VI TO THIS OFFICIAL STATEMENT. NEITHER THE AUTHORITY, THE TRUSTEE NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DIRECT PARTICIPANTS, ANY PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE 2018 NOTES UNDER OR THROUGH DTC OR ANY DIRECT PARTICIPANT, OR ANY OTHER PERSON WHICH IS NOT SHOWN ON THE NOTE REGISTER OF THE AUTHORITY KEPT BY THE TRUSTEE AS BEING A NOTEHOLDER.

NEITHER THE AUTHORITY, THE TRUSTEE NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION, EITHER SINGULARLY OR JOINTLY, TO DTC PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE 2018 NOTES UNDER THE INDENTURE; (III) THE SELECTION BY DTC OR ANY DTC PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE 2018 NOTES; (IV) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE 2018 NOTES; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF 2018 NOTES; OR (VI) ANY OTHER MATTER.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF ALL OF THE 2018 NOTES, REFERENCES HEREIN TO THE OWNERS, HOLDERS, OR REGISTERED OWNERS OF THE 2018 NOTES (OTHER THAN UNDER THE CAPTION "TAX MATTERS" HEREIN) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2018 NOTES.

In the event that the 2018 Notes are no longer subject to the book-entry only system, the Authority shall immediately advise the Trustee in writing of the procedures for transfer of such 2018 Notes from such book-entry only form to a fully registered form. Thereafter, note certificates will be printed and delivered as described in the Master Indenture and Beneficial Owners will become the registered owners of the 2018 Notes.

SOURCES OF PAYMENT AND SECURITY FOR THE 2018 NOTES

Property Pledged to the 2018 Notes; the Funding Agreements; the Act; the Indenture

The 2018 Notes are payable and secured under the Indenture. All Notes issued under the Indenture are special, limited obligations of the Authority secured by the Trust Estate and payable from the Pledged Revenues and amounts on deposit in the funds and accounts established under the Indenture for their payment (excluding the Construction Fund, Costs of Issuance Fund, Expense Fund and Rebate Fund) as hereinafter described. Pursuant to the Indenture, all of such property is pledged and assigned as security for the payment of the principal of and interest on the Notes as well as the Authority's payment and reimbursement obligations with respect to any Financing Facility (which include, among other things, reimbursement agreements for credit facilities) which it may obtain in connection with the issuance of any Series of Notes. Subordinate Debt and Subordinate Debt Financing Facilities shall only be secured by and payable from amounts on deposit from time to time in the Subordinate Debt Fund established under the Master Indenture. The 2018 Notes will be the third Series of Notes issued under the Indenture. The Indenture provides that the Trust Estate 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 MASTER INDENTURE — Granting Clauses" herein.

Pursuant to the Master Indenture, the "Trust Estate" consists of: (i) all right, title and interest of the Authority in and to the Pledged Revenues; (ii) all right, title and interest of the Authority in and to the Funding Agreements; (iii) all moneys and securities held by the Trustee in the Funds and Accounts created under the Master Indenture, other than the Construction Fund, Rebate Fund, Expense Fund and Costs of Issuance Fund; (iv) any and all other property from time to time delivered or by writing conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture by, or on behalf of, the Authority to the Trustee. In addition, each series of Reserve Fund Notes, if any, will be further secured by all moneys and securities held by the Trustee in the Account within the Debt Service Reserve Fund established for such Series of Reserve Fund Notes. The Prior Notes and the 2018 Notes are not Reserve Fund Notes and are not secured by a Debt Service Reserve Account.

The term "Pledged Revenues" is defined in the Master Indenture as:

a) All Grant Revenues, defined in the Master Indenture as all Federal Transportation Funds received by the NJDOT, the Authority or the Trustee from the United States government which represent payment of the debt service on the Direct GARVEE Notes. Unless otherwise determined by the Authority, Grant Revenues includes Investment Earnings or other moneys in the Funds and Accounts derived from such Grant Revenues;

b) All Reimbursement Revenues, defined in the Master Indenture as all Federal Transportation Funds received by the NJDOT from the United States government which represent a federal reimbursement to NJDOT for funds advanced by NJDOT. Unless otherwise determined by the Authority, Reimbursement Revenues includes Investment Earnings or other moneys in the Funds and Accounts derived from such Reimbursement Revenues;

c) All interest earned and gains realized on Investment Securities (i) except for interest earnings and gains on any investments in the Construction Fund, the Cost of Issuance Fund, the Expense Fund and the Rebate Fund and any other Fund or Account

which pursuant to the terms of any Supplemental Indenture is not part of the Trust Estate; and

d) The term “Pledged Revenues” does not include “Excluded Revenues” which, under the Master Indenture, consist of any and all grant monies or funds pledged to the Authority pursuant to the Funding Agreement, dated as of June 1, 2006, between the Authority and the Commissioner, pursuant to which the Commissioner pledged to the Authority, as security and a source of payment for the Authority’s Grant Anticipation Bonds, 2006 Series A (the “2006 GARVEE Bonds”), issued in the original principal amount of \$131,555,000, all grant monies or funds received from Federal Aid Agreements entered into by the FHWA with respect to the project financed with the 2006 GARVEE Bonds as described below. As of June 15, 2018, the 2006 GARVEE Bonds are no longer outstanding.

The 2018 Notes, together with all other Indirect GARVEE Notes issued under the Indenture and related Financing Facility Payment Obligations, if any, are payable solely from that portion of the Pledged Revenues that constitute Reimbursement Revenues. Direct GARVEE Notes, together with related Financing Facility Payment Obligations, if any, are payable solely from that portion of the Pledged Revenues that constitute Grant Revenues. Gross Funded Direct GARVEE Notes, together with related Financing Facility Payment Obligations, if any, are additionally secured by and payable from Reimbursement Revenues.

Indirect GARVEE Notes, including the 2018 Notes, are not secured by or payable from Grant Revenues. Grant Revenues may only be applied to (i) pay Note Payment Obligations and Financing Facility Payment Obligations with respect to the related Series of Direct GARVEE Notes, (ii) reimburse the Reimbursement Revenue Fund for amounts withdrawn from such Fund to pay Note Payment Obligations and Financing Facility Payment Obligations with respect to the related Series of Direct GARVEE Notes if such related Series of Direct GARVEE Notes is a Series of Gross Funded Direct GARVEE Notes, as provided in Section 607(b)(ii) of the Master Indenture, (iii) replenish the related Debt Service Reserve Account, if any, pursuant to Section 607(b)(iii) of the Master Indenture, or (iv) pay Expenses of the related Series of Direct GARVEE Notes as provided in Section 611 of the Master Indenture. Grant Revenues may in no event be applied to pay Note Payment Obligations and Financing Facility Payment Obligations with respect to Indirect GARVEE Notes. See “APPENDIX II - COPY OF THE MASTER INDENTURE.”

Pursuant to the Act and N.J.S.A. 27:1A-7, respectively, the Authority and the Commissioner entered into the Reimbursement Revenue Funding Agreement as of October 26, 2016. Pursuant to the 2016 Reimbursement Revenue Funding Agreement, the Commissioner irrevocably agrees to pay to the Trustee, as assignee of the Authority, all Reimbursement Revenues if, when and as received by the Commissioner in each Fiscal Year, which commences on July 1 of each year and ends on the succeeding June 30 (“Fiscal Year”), (i) until such time as the Authority shall receive from the Trustee a Reimbursement Revenue Sufficiency Date Notice for such Fiscal Year; (ii) from the time when the Commissioner receives a Post Sufficiency Date Event Notice in any Fiscal Year and thereafter until such time as the Commissioner shall receive from the Trustee an Additional Sufficiency Date Notice, and subject to the terms and conditions of the 2016 Reimbursement Revenue Funding Agreement, and any amendments thereto. Simultaneously with the issuance and delivery of the 2018 Notes, the Authority and the Commissioner shall enter into the First Amendment to Reimbursement Revenue Funding Agreement to amend Schedules I and III thereto in order to confirm that the 2016 Reimbursement Revenue Funding Agreement applies to the 2018 Notes. Schedules I and III to the 2016 Reimbursement Revenue Funding Agreement may be further amended, from time to time, in connection with the issuance of Additional Notes that constitute Indirect GARVEE Notes and Schedule 2 to the 2016 Reimbursement Revenue Funding Agreement may be amended, from

time to time, in connection with the issuance of Additional Notes that constitute Gross Funded Direct GARVEE Notes, in order to confirm that the 2016 Reimbursement Revenue Funding Agreement applies to such Series of Indirect GARVEE Notes or Gross Funded Direct GARVEE Notes, as applicable. SEE APPENDIX III – COPY OF 2016 REIMBURSEMENT REVENUE FUNDING AGREEMENT AND FORM OF FIRST AMENDMENT TO REIMBURSEMENT REVENUE FUNDING AGREEMENT.

The Authority and the Commissioner may enter into additional Funding Agreements in connection with the issuance of Additional Notes under the Indenture that constitute Direct GARVEE Notes, including Gross Funded Direct GARVEE Notes, pursuant to which the Commissioner will agree to pay to the Trustee, as assignee of the Authority, all Grant Revenues received by the NJDOT with respect to the related Series of Direct GARVEE Notes, including Gross Funded Direct GARVEE Notes.

As a condition to the issuance of a Series of Additional Notes under the Indenture, the Authority must provide a certificate of an Authorized Authority Representative dated the date of issuance of such Additional Notes which demonstrates that the issuance of such Additional Notes is in compliance with the Additional Notes Coverage Test, or in the case of a Series of Refunding Notes that is being issued to refund Outstanding Notes, a certificate of an Authorized Authority Representative which demonstrates that (A) the principal and interest payments on such Additional Notes in each Fiscal Year is less than or equal to the principal and interest payments payable in each such Fiscal Year on the Notes to be Refunded and (B) the final maturity of such Refunding Notes is not later than the final maturity of the Notes to be Refunded. See “SOURCES OF PAYMENT AND SECURITY FOR THE 2018 NOTES – Additional Notes” herein.

All payments by the Commissioner to the Trustee on behalf of the Authority, pursuant to the 2016 Reimbursement Revenue Funding Agreement and any other Funding Agreement that may be entered into in the future, 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 – “INFORMATION REGARDING THE BUDGET AND APPROPRIATION PROCESS IN THE STATE OF NEW JERSEY.” The 2016 Reimbursement Revenue Funding Agreement does not legally obligate the State Legislature to appropriate moneys sufficient to pay amounts when due on the Notes or otherwise due under the 2016 Reimbursement Revenue Funding Agreement. Thus, although the Indenture provides for the remedy of specific performance to require the Authority to perform its covenants in the Funding Agreements (including its covenants to enforce the terms of the Funding Agreements), there are no remedies available to the Noteholders in the event that the State Legislature does not appropriate sufficient funds to make payments when due under a Funding Agreement. The 2016 Reimbursement Revenue Funding Agreement also provides that a failure by the Commissioner to pay any Reimbursement Revenues or any amount payable thereunder by reason of the occurrence of an Unavailability of Federal Funds shall not constitute an event of default thereunder.

Event of Non-Appropriation; Unavailability of Federal Transportation Funds

The Indenture provides that, notwithstanding anything contained therein to the contrary, a failure by the Authority to pay, when due, Note Payment Obligations or Financing Facility Payment Obligations required to be made under the Indenture or the Notes, 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 Indenture or the Notes, resulting from the occurrence of an Event of Non-Appropriation or the Unavailability of Federal Transportation Funds shall not constitute an Event of Default under the Indenture.

Upon the occurrence of an Event of Non-Appropriation or the Unavailability of Federal Transportation Funds (or the failure by the Authority to pay any Note Payment Obligations resulting from such Event of Non-Appropriation or Unavailability of Federal Transportation Funds), the Trustee on behalf of the Holders of the applicable Series of Notes has no remedies. The Trustee may not accelerate the Notes. The Authority has no obligation to pay any Note Payment Obligations or Financing Facility Payment Obligations with respect to which an Event of Non-Appropriation or Unavailability of Federal Transportation Funds has occurred. However, the Authority would remain obligated to pay such Note Payment Obligations and Financing Facility Payment Obligations, with interest thereon at the rate in effect with respect to the applicable Series of Notes, from any Pledged Revenues that may subsequently be paid to the Trustee and all future Note Payment Obligations and Financing Facility Payment Obligations in accordance with the terms of the Indenture.

If an Event of Non-Appropriation or an Unavailability of Federal Transportation Funds shall occur and be continuing, or following an Event of Default under the Indenture, the Trustee shall apply the Trust Estate, including all moneys, securities, funds and Pledged Revenues received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture, together with all Funds and Accounts held by the Trustee under the Indenture (except for the Construction Fund, the Rebate Fund, the Expense Fund and the Costs of Issuance Fund) as follows and in the following order of priority:

- (i) To the payment of the reasonable and proper fees (including reasonable attorneys' fees), expenses and liabilities of the Fiduciaries;
- (ii) To the payment of the principal or Redemption Price of and interest then due on the Notes and Financing Facility Payment Obligations, as follows:

FIRST: To the payment of interest then due on the Notes and Financing Facility Payment 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 Financing Facility Payment Obligations maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, without priority or preference of any Note or Financing Facility Obligation over any other;

SECOND: To the payment of the unpaid principal or Redemption Price of any Notes and Financing Facility Payment 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 Notes or Financing Facility Payment Obligations due on any date, then to the payment thereof ratably, according to the amounts due in respect of each Note or Financing Facility Obligation, without any priority or preference over any other; and

THIRD: To the payment to any Financing Facility Provider of any Subordinate Financing Facility Payment Obligation then due and, if the amounts available are insufficient to pay in full all Subordinate Financing Facility Payment Obligations, then to the payment thereof ratably, without preference or priority of any Subordinate Financing Facility Payment Obligation over any other.

Notwithstanding the foregoing, to the extent provided in the applicable Supplemental Indenture, the revenues from any Financing Facility shall be applied to the payment of principal or Redemption Price of, and interest on, the Notes to which such Financing Facility relates, and amounts which would otherwise be paid to the holders of such Notes shall be paid to the applicable Financing Facility Provider.

(iii) If an Event of Default shall have occurred and be continuing, but subject and subordinate to the amounts required to be paid as described in paragraphs (i) and (ii) above, and only after all amounts required to be paid as described in paragraphs (i) and (ii) above have been paid in full, the Trustee shall apply any and all moneys, securities, funds, and Pledged Revenues then on deposit in or available for deposit to the Subordinate 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 Subordinate Debt then outstanding, in such order of priority as shall be specified in the Supplemental Indenture(s) of the Authority authorizing the issuance of such Subordinate Debt or, if not so specified, pro rata.

(iv) The provisions described in (i), (ii), and (iii) above shall be applied separately to Direct GARVEE Notes and Indirect GARVEE Notes in accordance with the following:

(a) Grant Revenues shall only be used (1) to pay Note Payment Obligations with respect to the related Series of Direct GARVEE Notes and Financing Facility Payment Obligations with respect to the related Series of Direct GARVEE Notes, (2) in the case of Gross Funded Direct GARVEE Notes, to reimburse the Reimbursement Revenue Fund for amounts withdrawn from such Fund to pay Note Payment Obligations and Financing Facility Payment Obligations with respect to the related Series of Gross Funded Direct GARVEE Notes as provided in Section 607(b)(ii) of the Master Indenture, (3) to replenish the related Debt Service Reserve Account, if any, pursuant to Section 607(b)(iii) of the Master Indenture, or (4) to pay Expenses of the related Series of Direct GARVEE Notes. Grant Revenues may in no event be applied to pay Note Payment Obligations and Financing Facility Payments with respect to Indirect GARVEE Notes; and

(b) Reimbursement Revenues shall ONLY be used (1) to pay Note Payment Obligations and Financing Facility Payment Obligations with respect to the Indirect GARVEE Notes and Gross Funded Direct GARVEE Notes, (2) to replenish the related Debt Service Reserve Account with respect to each related Series of Indirect GARVEE Notes and Gross Funded Direct GARVEE Notes, if any, pursuant to Section 605(b)(i), and (3) to pay Expenses of each Series of Indirect GARVEE Notes.

(v) If and whenever all overdue installments of principal or Redemption Price of, and interest on, all Notes 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 Indenture, including the principal and Redemption Price of and accrued unpaid interest on all Notes 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 Indenture or the Notes 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 Indenture 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 Indenture. 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 Indenture or impair any right consequent thereon.

State Appropriations

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 or Redemption Price of and interest on the Notes, including the 2018 Notes.

Unavailability of Federal Transportation Funds

Federal transportation funding for federal aid projects has continued in the past notwithstanding occasional lapses of authorization – either multi-year or interim. However, the mechanisms which allow this depend almost exclusively on there being sufficient moneys in the Federal Highway Transportation Fund (“FHTF”). A deficit in the FHTF could possibly result in insufficient Federal Transportation Funds to pay debt service on Notes, including the 2018 Notes, issued under the Indenture. There can be no assurance that, upon expiration of the FAST Act, as herein defined, Congress will adopt another long-term federal transportation funding authorization or that, if adopted, such authorization will include funding at current levels. See “INFORMATION CONCERNING THE FUNDING OF FEDERAL-AID HIGHWAYS” herein.

There can be no assurance that “Unavailability of Federal Transportation Funds” may not occur in any Fiscal Year.

Special, Limited Obligations of the Authority; State General Taxing Power Not Pledged

Pursuant to the Act and the Indenture, the Notes, including the 2018 Notes and Financing Facility Payment Obligations, if any, shall be special, limited 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 Indenture) 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 Indenture) 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 Notes or other obligations of the Authority issued under the Indenture, unless funded or refunded by notes or other obligations of the Authority, shall be payable solely from the Trust Estate under the Indenture.

Funds and Accounts

The Master Indenture creates the following funds and accounts which shall be held by the Trustee and which shall be part of the Trust Estate:

- (i) a Reimbursement Revenue Fund;
- (ii) an Indirect GARVEE Debt Service Fund, and within such Indirect GARVEE Debt Service Fund, a separate Indirect GARVEE Debt Service Account for each series of Indirect GARVEE Notes and a separate Capitalized Interest Account for each Series of Indirect GARVEE Notes any portion of the proceeds of which are to be applied to the payment of capitalized interest;

(iii) a separate Direct GARVEE Debt Service Fund for each Series of Direct GARVEE Notes and, within each such Debt Service Fund, a separate Capitalized Interest Account for each Series of Direct GARVEE Notes any portion of the proceeds of which are to be applied to the payment of capitalized interest;

(iv) a Debt Service Reserve Fund, and within such Debt Service Reserve Fund, a separate Debt Service Reserve Account for (i) each Series of Reserve Fund Notes, if any, which pursuant to the Supplemental Indenture authorizing such Series of Reserve Fund Notes, is to be additionally secured by a separate Debt Service Reserve Account, and (ii) any two (2) or more Series of Reserve Fund Notes, if any, which pursuant to the Supplemental Indentures for each such Series, are to be additionally secured by a common Debt Service Reserve Account; and

(v) a Subordinate Debt Fund.

The Master Indenture creates the following funds and accounts which shall be held by the Trustee, but which shall not be part of the Trust Estate pledged under the Indenture:

(i) a Rebate Fund;

(ii) a Costs of Issuance Fund, and within the Costs of Issuance Fund, a separate Cost of Issuance Account for each Series of Notes; and

(iii) an Expense Fund, and within the Expense Fund, a separate Expense Account for each Series of Notes.

The Master Indenture also creates a Construction Fund, to be held by the Authority, which shall not be part of the Trust Estate pledged under the Indenture, and within the Construction Fund, an Indirect GARVEE Construction Account and a separate Direct GARVEE Construction Account for each Series of Direct GARVEE Notes.

Under the terms of the Master Indenture, the Trustee shall deposit all Reimbursement Revenues received in each Fiscal Year into the Reimbursement Revenue Fund until such time as the Authority receives a notice from the Trustee (a "Reimbursement Revenue Sufficiency Date Notice") for such Fiscal Year stating that the amount on deposit in the Reimbursement Revenue Fund is sufficient to (i) cause the amount on deposit in the Indirect GARVEE Debt Service Fund and in the related Debt Service Fund established for each Series of Gross Funded Direct GARVEE Notes, if any, to equal the amount of the Note Payment Obligations and all related Financing Facility Payment Obligations coming due on the Indirect GARVEE Notes and each Series of Gross Funded Direct GARVEE Notes, if any, in the current Fiscal Year (excluding any such Note Payment Obligations and related Financing Facility Payment Obligations that have been paid prior to such date), (ii) cause the amount on deposit in each Debt Service Reserve Account established for each Series of Indirect GARVEE Notes and Gross Funded Direct GARVEE Notes that are Reserve Fund Notes, if any, to equal the related Debt Service Reserve Requirement, and (iii) cause the amount on deposit in the Expense Account established for each Series of Indirect GARVEE Notes and Gross Funded Direct GARVEE Notes, if any, to equal the amount of related Expenses coming due in such Fiscal Year (excluding any such Expenses that have been paid prior to such date). Thereafter, any excess Reimbursement Revenues remaining in the Reimbursement Revenue Fund and any and all Reimbursement Revenues thereafter received by the Trustee during such Fiscal Year, including, without limitation, any required transfers to the Reimbursement Revenue Fund from any other Fund or Account established under the Indenture, shall be promptly paid to the State, provided that, from the time from and after the date the Commissioner receives a Post Sufficiency Date Event Notice with respect to a Post Sufficiency Date Event in any Fiscal Year and thereafter until such time as the Commissioner shall receive from the Trustee an Additional Sufficiency Date Notice, the Trustee shall deposit all Reimbursement Revenues received in each Fiscal Year into the Reimbursement Revenue Fund.

“Post Sufficiency Date Event” means, with respect to any Fiscal Year, the occurrence, after the Reimbursement Revenue Sufficiency Date, of any event as a result of which the amount on deposit in the Indirect GARVEE Debt Service Fund and in the related Debt Service Fund established for each Series of Gross Funded Direct GARVEE Notes, if any, together with the amount then on deposit in the Reimbursement Revenue Fund, is no longer sufficient to pay the Note Payment Obligations and Financing Facility Payment Obligations coming due in such Fiscal Year in full. Without limiting the generality of the immediately preceding sentence, the term “Post Sufficiency Date Event” shall include any event as a result of which Incremental Amounts become payable pursuant to the Loan Agreement.

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 (iii) 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.

The Authority has covenanted in the Indenture that for so long as any of the Notes are Outstanding or any obligation of the Authority under a Financing Facility or otherwise under the Indenture remains unpaid, the Authority will take all reasonable action to enforce the Funding Agreements, including the Reimbursement Revenue Funding Agreement, to the extent permitted by law and will not consent to any modification of any Funding Agreement, including the Reimbursement Revenue Funding Agreement, which would materially impair the security for the holders of the Notes, including the 2018 Notes.

The Commissioner has covenanted in the Reimbursement Revenue Funding Agreement that the Commissioner will annually apply for and reasonably cooperate with FHWA in order to receive the greatest amount of Federal Transportation Funds reasonably available to NJDOT, including amounts sufficient for payment of the Note Payment Obligations relating to the 2018 Notes.

Prior Notes

The 2016 Series A Notes were issued pursuant to the Act, a resolution adopted by the Authority on October 14, 2016 and the Master Indenture, as amended by a First Supplemental Trust Indenture, dated as of October 26, 2016 (the “First Supplemental Indenture”), by and between the Authority and the Trustee. Following the issuance of the 2018 Notes and the defeasance of the Notes to be Refunded, the 2016 sub-Series A-1 Notes in the outstanding principal amount of \$1,441,425,000 will remain outstanding under the Indenture on a parity with the 2016 Series B Notes, the 2018 Notes and all other Indirect GARVEE Notes and Gross Funded Direct GARVEE Notes that may be issued under the Indenture.

2016 Bank Financing

Concurrently with the issuance of the 2016 Series A Notes, the Authority issued the 2016 Series B Notes to evidence the Bank Loan. The Bank Loan was made pursuant to a Term Loan Agreement, dated October 26, 2016, between the Authority and the Bank (the "Loan Agreement"). The 2016 Series B Notes constitute Indirect GARVEE Notes under the Master Indenture and were issued on parity with the 2016 Series A Notes and all Indirect GARVEE Notes and Gross Funded Direct GARVEE Notes issued by the Authority which may be issued from time to time subsequent to the issuance of the Prior Notes under the Indenture, however, no other Notes were issued under the Indenture to date. Upon issuance of the 2018 Notes and the defeasance of the Notes to be Refunded, the 2016 Series B Notes, the 2016 sub-Series A-1 Notes, the 2018 Notes and all Indirect GARVEE Notes and Gross Funded Direct GARVEE Notes that may be issued by the Authority from time to time under the Indenture will be on a parity.

Pursuant to the terms of the Loan Agreement, upon the occurrence of a 2016 Series B Note Prepayment Event (as such term is defined in Appendix VII of this Official Statement), the 2016 Series B Notes may, at the election of the Bank, become subject to mandatory prepayment prior to maturity over a period (the "Mandatory Prepayment Amortization Period") commencing on the first (1st) Business Day of the sixth (6th) calendar month following the date specified by the Bank of the occurrence of the 2016 Series B Note Prepayment Event (the "Mandatory Prepayment Amortization Commencement Date") and ending on the earliest of (i) the third anniversary of the Mandatory Prepayment Amortization Commencement Date, (ii) the Maturity Date and (iii) the date on which the 2016 Series B Notes are otherwise repaid or prepaid in full pursuant to the terms of the Loan Agreement ("Mandatory Prepayment Amortization End Date"). During the Mandatory Prepayment Amortization Period, the 2016 Series B Notes shall bear interest at the rate of twelve percent (12.0%) per annum and shall be payable in principal installments on each Mandatory Prepayment Amortization Payment Date, defined as (i) the Mandatory Prepayment Amortization Commencement Date, (ii) the first (1st) Business Day of every sixth (6th) calendar month thereafter prior to the Mandatory Prepayment Amortization End Date, and (iii) the Mandatory Prepayment Amortization End Date. The foregoing provisions shall apply whether or not such 2016 Series B Note Prepayment Event constitutes or results from the occurrence of an Event of Default under the Indenture and whether or not such 2016 Series B Note Prepayment Event results from the occurrence of an Event of Non-Appropriation or the Unavailability of Federal Transportation Funds. See "APPENDIX VII" hereto.

The Loan Agreement also provides that the interest rate on the 2016 Series B Notes will increase by twenty-five (25) basis points upon the downgrade of the rating on any bonds issued by the Authority pursuant to the Act and the 2012 Transportation Program Bond Resolution adopted by the Authority on October 6, 2012, as amended and supplemented (the "Program Bonds") below their ratings in effect on the date of issuance of the 2016 Series B Notes of "A3" by Moody's (as herein defined), "A-" by S&P (as herein defined) and "A-" by Fitch (as herein defined), respectively, but at or above "Baa3" (or its equivalent), "BBB-" (or its equivalent), and "BBB-" (or its equivalent), respectively. This twenty-five (25) basis point increase in the interest rates on the 2016 Series B Notes is currently in effect as a result of downgrades in the ratings of the Program Bonds (i) to BBB+, by S&P, on November 15, 2016, and thereafter (ii) to Baa1, by Moody's, on March 31, 2017. If, at any time, any two of Fitch, Moody's and S&P shall have downgraded its rating of the Program Bonds (without regard to credit enhancement) to below "Baa3" (or its equivalent), "BBB-" (or its equivalent), and "BBB-" (or its equivalent), respectively, or suspended or withdrawn its rating of the same, such downgrade, suspension or withdrawal would constitute an Event of Default under the Loan Agreement, whereupon the 2016 Series B Notes shall bear interest at a default rate of interest equal to twelve percent (12%) per annum. However, such downgrade would not result in a 2016 Series B Prepayment Event.

The interest rate on the 2016 Series B Notes will also increase on the date on which interest on the 2016 Series B Notes is first includable in gross income of the Bank or any Participant as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability. In such event, the interest rate on the 2016 Series B Notes will increase to a rate (the "Taxable Rate") equal to the product of the rate then in effect on the 2016 Series B Notes multiplied by 1.54 or, if either the Default Rate or the Mandatory Prepayment Rate is in effect, the Default Rate or Mandatory Prepayment Rate, as applicable, provided that the Taxable Rate shall not exceed the Maximum Rate. However, the occurrence of an Event of Taxability would not result in a 2016 Series B Prepayment Event. For purposes of this provision,

1. "*Event of Taxability*" means (i) a change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Authority, or the failure to take any action by the Authority, or the making by the Authority of any misrepresentation herein or in any certificate required to be given in connection with this Agreement) which has the effect of causing interest paid or payable on the 2016 Series B Notes to become includable, in whole or in part, in the gross income of the Bank for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the United States Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the 2016 Series B Notes to become includable, in whole or in part, in the gross income of the Bank for federal income tax purposes,

2. "*Determination of Taxability*" means and shall be deemed to have occurred on the first to occur of the following:

(i) the date when the Authority files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability has occurred;

(ii) the date when the Authority shall be advised in writing by the commissioner of the Internal Revenue Service or any district director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Authority, or upon any review or audit of the Authority or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iii) the date when the Authority shall receive notice from the Bank that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Bank the interest on the Term Loan due to the occurrence of an Event of Taxability; provided, however, no Determination of Taxability shall occur under subparagraph (ii) or (iii) hereunder unless the Authority has been afforded the reasonable opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; provided further, however, that upon demand from the Bank, the Authority shall reimburse the Bank within ten (10) business days for any payments, including any taxes, interest, penalties or other charges the Bank shall be obligated to make as a result of the Determination of Taxability, subject to the provisions of Section 2.05 of the Loan Agreement.

Additional Notes

Although the Indenture prohibits the issuance of obligations having a lien on Reimbursement Revenues prior or senior to the lien of the 2018 Notes and the Prior Notes, the Authority may issue, from time to time, Additional Notes that constitute Indirect GARVEE Notes

or Gross Funded Direct GARVEE Notes on a parity with the 2018 Notes and the Prior Notes, upon satisfaction of the requirements of the Indenture before such issuance. The Indenture also permits the Authority to enter into Financing Facilities secured on a parity with the 2018 Notes and the Prior Notes. In addition, the Indenture also permits the Authority to issue Additional Notes that constitute Direct GARVEE Notes, payable from Pledged Revenues that constitute Grant Revenues, and to enter into Financing Facilities related to such Direct GARVEE Notes.

Under the Master Indenture, no Additional Notes may be issued unless, among other requirements, either:

- (i) an Authorized Authority Representative provides a certificate which demonstrates that the issuance of such Additional Notes is in compliance with the Additional Notes Coverage Test; or
- (ii) in the case of a Series of Refunding Notes that is being issued to refund Outstanding Notes, an Authorized Authority Representative provides a certificate which demonstrates that (A) the principal and interest payments on such Additional Notes in each Fiscal Year is less than or equal to the principal and interest payments payable in each such Fiscal Year on the Notes to be Refunded and (B) the final maturity of such Refunding Notes is not later than the final maturity of the Notes to be Refunded.

The Additional Notes Coverage Test means, in connection with the issuance of a Series of Additional Notes, that the sum of (i) the amount of Federal Transportation Funds received by NJDOT during such period of time, plus (ii) the amount of any Federal Transportation Funds that have been transferred by NJDOT to any other entity during such period under a flexible funding program¹ either (a) anticipated in the Fiscal Year in which such Additional Notes are issued, or (b) received or transferred in either of the prior two (2) preceding Fiscal Years equals to at least three (3) times the Maximum Annual Debt Service for the then current and each succeeding Fiscal Year on all Outstanding Notes and on the Additional Notes proposed to be issued.

“Maximum Annual Debt Service” means the greatest of the amounts required to be paid or set aside during the current or any single future Fiscal Year for payment of debt service on all Outstanding Notes, whether at maturity or upon mandatory redemption; provided, however, unless otherwise set forth in a Supplemental Indenture, that the interest for future periods on any Notes that bear interest at a Variable Rate shall be calculated at a rate equal to the highest interest rate per annum borne by such Notes during the twelve (12) month period immediately preceding such date of determination, plus one percent (1.00%) per annum and shall include the fees payable to any Financing Facility Providers and remarketing agents in connection therewith. For purposes of determining the Maximum Annual Debt Service for any Series of Notes, twenty-five (25%) percent or more of the original principal amount of which is due in any 12-month period, the assumptions for the amortization of the principal of such Notes shall be set forth in the related Supplemental Indenture.

¹ Under a flexible funding program, certain legislatively specified funds, including a portion of Federal Transportation Funds (primarily Surface Transportation Program and Congestion Mitigation and Air Quality Improvement Program funds), may be used either for transit or highway purposes. In Federal Fiscal Year 2017, for instance, NJDOT transferred \$223,200,000 to NJ Transit under a flexible funding program.

The restrictions on the issuance of Additional Notes in the Indenture do not prevent the Authority from issuing other notes secured by a lien on amounts on deposit in the Subordinate Debt Fund which is subordinate to the lien securing the Notes. See "APPENDIX II – COPY OF MASTER INDENTURE – ARTICLE II – AUTHORIZATION AND ISSUANCE OF NOTES".

Refunding Notes

One or more series of Refunding Notes may be issued at any time, in accordance with the requirements of the Act and the Indenture, to refund any or all Outstanding Notes or Subordinate Debt. Such Refunding Notes shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding including, without limitation, repayment of costs of issuance of such Refunding Notes and to make the deposits in the Funds and Accounts under the Indenture required by the provisions of the Supplemental Indenture authorizing such Refunding Notes. See "APPENDIX II – COPY OF THE MASTER INDENTURE — Refunding Notes."

Pursuant to the Act, 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. Pursuant to the Act, no refunding bonds shall be issued unless the report has been submitted to and approved by JBOC. JBOC approved the issuance of the 2018 Notes on _____, 2018.

Amendments to the Master Indenture

Pursuant to the Master Indenture, any modification or amendment of the Indenture and of the rights and obligations of the Authority and of the Holders of the Notes thereunder, in any particular, may be made by a Supplemental Indenture with the written consent of (a) at least a majority in principal amount of the Notes 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 Notes of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Notes shall not be required and such Notes shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Notes 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 Indenture if the same adversely affects or diminishes the rights of the Holders of Notes of such Series. In the case of amendments or modifications to the Indenture which are to take effect simultaneously with the issuance or remarketing of Notes 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 Notes shall be deemed to have consented to such amendments or modifications by virtue of their having purchased such Notes and the written consents of such purchasers shall not be required.

Notwithstanding the foregoing, no modification or amendment of the Master Indenture shall permit a change in the terms of redemption (including sinking fund installment) or maturity of the principal of any Outstanding Note 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 Note, or shall reduce the percentages or otherwise affect the classes of Notes 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.

PLAN OF REFUNDING

Pursuant to the Act and the Indenture, the Authority is issuing the 2018 Notes for the purposes of: (i) providing funds to refund the Notes to be Refunded; and (ii) paying costs of issuance of the 2018 Notes.

U.S. Bank National Association (the “Escrow Agent”) and the Authority will enter into an Escrow Deposit Agreement, to be dated the date of issuance and delivery of the 2018 Notes (the “Escrow Deposit Agreement”), pursuant to which the Escrow Agent shall create a special and irrevocable escrow fund (the “Escrow Fund”) to be held by the Escrow Agent for the payment of the Redemption Price of and interest on the Notes to be Refunded on _____, 2018 (the “Redemption Date”). The funds on deposit in the Escrow Fund will be applied to the purchase of Defeasance Securities (as defined in the Master Indenture) the principal of and interest on which, together with other funds on deposit in the Escrow Fund, will be sufficient to pay the Redemption Price of and interest on the Notes to be Refunded on the Redemption Date. See “VERIFICATION OF MATHEMATICAL CALCULATIONS” herein.

The holders of the Notes to be Refunded will have a lien on the applicable cash and Defeasance Securities on deposit in the Escrow Fund. Upon execution and delivery of the Escrow Deposit Agreement and deposit of the cash and Defeasance Securities into the Escrow Fund, the Notes to be Refunded shall be defeased and shall no longer be deemed to be Outstanding under, or entitled to the benefits of, the Indenture.

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DEBT SERVICE SCHEDULE

The following table sets forth the debt service requirements for the Prior Notes in each Fiscal Year.

Fiscal Year	2016 Series A Notes Debt Service*	2016 Series B Notes Debt Service	2018 Notes Debt Service	Total Debt Service*
2019	\$ 322,686,250	\$ 14,916,005		\$ 337,602,255
2020	322,685,500	14,916,005		337,601,505
2021	322,688,500	14,916,005		337,604,505
2022	322,686,750	14,916,005		337,602,755
2023	322,686,000	14,916,005		337,602,005
2024	322,685,500	14,916,005		337,601,505
2025	79,963,250	257,641,005		337,604,255
2026	72,377,000	265,224,798		337,601,798
2027	337,602,000	-		337,602,000
2028	337,605,750	-		337,605,750
2029	337,601,250	-		337,601,250
2030	337,600,750	-		337,600,750
2031	337,604,250	-		337,604,250
Total	\$3,776,472,750	\$612,361,833		\$4,388,834,583

*Does not include impact of planned refunding of the Notes to be Refunded by the 2018 Notes.

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ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the issuance of the 2018 Notes are expected to be as set forth below:

SOURCES OF FUNDS:

Par Amount	\$
[Net] Original Issue [Premium][Discount]	
Total Sources of Funds	\$

USES OF FUNDS:

Deposit to Escrow Fund	\$
Costs of Issuance ¹	
Total Uses of Funds	\$

¹ Includes ratings, printing, legal and Trustee's fees and other expenses relating to the issuance and sale of the 2018 Notes.

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INFORMATION CONCERNING THE FUNDING OF FEDERAL-AID HIGHWAYS

The Pledged Revenues are comprised of Federal Transportation Funds - the legally available portion of federal transportation funds, generically described as federal aid revenues, received under Title 23. The following information relates to the provisions of Title 23 and the mechanisms, rules and practices which are applicable and relevant to the receipt of Federal Transportation Funds by NJDOT.

The Federal-Aid Highway Program Generally

The Federal-Aid Highway Program ("FAHP" or the "Program") is an "umbrella" term that encompasses most of the federal programs providing highway funds to the states. The Federal Highway Administration ("FHWA") is the federal agency within the U.S. Department of Transportation responsible for administering the FAHP. The FAHP is generally financed from the transportation user-related revenues deposited in the Federal Highway Trust Fund. The primary source of revenues in the Federal Highway Trust Fund is derived from the federal excise taxes on motor fuels. Other taxes include excise taxes on tires, trucks and trailers, and truck use taxes.

The FAHP is a reimbursement program. Federal-aid highways are under the administrative control of the state or local government responsible for their operation and maintenance. Once projects are approved by FHWA and funds are obligated, the federal government makes payments to the states for costs as they are incurred on such projects, which may include debt service on obligations issued to finance a project. With a few exceptions, the federal government does not pay for the entire cost of a federal-aid project. Federal reimbursements are typically to be matched with state and/or local funds. The maximum federal share is specified in the federal legislation authorizing the program. Most projects have an 80 percent federal share, while interstate rehabilitation and maintenance projects typically have been funded with a 90 percent federal share. New Jersey satisfies its state match utilizing "soft-match" toll credits. See "NEW JERSEY RECEIPTS OF FEDERAL TRANSPORTATION FUNDS - State Match" herein.

Funding under the FAHP is provided to states through a multi-step funding cycle that includes: (1) multi-year authorization by Congress of the funding for various highway programs; (2) apportionment and allocation of funds to the states each Federal Fiscal Year ("FFY") according to statutory formulas or, for some funding categories, through administrative action; (3) obligation of funds, which is the federal government's legal commitment (or promise) to pay or reimburse states for the federal share of a project's eligible costs; (4) appropriations by Congress specifying the amount of funds available for the year to liquidate obligations; (5) program implementation which covers the programming and authorization phases; and (6) reimbursement by the federal government of the eligible project costs. Each of these steps is described in more detail under "Federal Aid Funding Procedures" below.

THE TERMS AND CONDITIONS OF PARTICIPATION IN THE FAHP AS DESCRIBED HEREIN ARE SUBJECT TO CHANGE AT THE DISCRETION OF CONGRESS. THERE CAN BE NO ASSURANCE THAT THE LAWS AND REGULATIONS NOW GOVERNING THE FAHP WILL NOT BE CHANGED IN THE FUTURE IN A MANNER THAT MAY ADVERSELY AFFECT THE ABILITY OF NJDOT TO RECEIVE FEDERAL AID REVENUES OR THE AMOUNTS THEREOF SUFFICIENT TO ENABLE THE AUTHORITY TO PAY PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE 2018 NOTES.

Title 23, United States Code, entitled "Highways," includes most of the laws that govern the FAHP arranged systematically or codified. Generally, Title 23 embodies those substantive provisions of highway law that Congress considers to be continuing and which need not be

reenacted each time the FAHP is reauthorized. Periodically, sections of Title 23 may be amended or repealed through surface transportation acts.

Reauthorization and Extensions

The FAHP must be periodically reauthorized by Congress and has historically been authorized under multi-year authorizing legislation. The most recent legislation, entitled the “Fixing America’s Surface Transportation Act,” or the FAST Act, enacted December 4, 2015, reauthorizes the FAHP through September 30, 2020. Prior to the enactment of the FAST Act, the last multi-year authorization of the FAHP was the “Moving Ahead for Progress in the 21st Century Act,” or MAP-21, which provided funding through September 30, 2014. In periods between multi-year authorizations, Congress consistently has used short-term authorizations to fund the FAHP. For example, between August 2014 and December 2015, Congress enacted five short-term authorizations to provide continued funding for the FAHP.

ALTHOUGH SHORT-TERM AUTHORIZATIONS HAVE BEEN ENACTED IN THE PAST, THERE CAN BE NO ASSURANCE THAT ANY SUCH SHORT-TERM AUTHORIZATIONS (OR MULTI-YEAR AUTHORIZATIONS) WILL BE ENACTED UPON THE EXPIRATION OF THE FAST ACT OR ANY SUBSEQUENT AUTHORIZATION OF THE FAHP.

The Federal Highway Trust Fund

The FHTF provides the primary funding for the FAHP. Funded by a collection of federally-imposed motor vehicle user fees, primarily fuel taxes, the FHTF is a fund established by law to hold dedicated highway-user revenues that are used for reimbursement of a state’s cost of eligible transportation projects (which may include debt service on obligations issued to finance a federal-aid project), including highway projects. The FHTF is composed of two accounts: the Highway Account, which funds highway and intermodal programs, and the Mass Transit Account. The Highway Account receives approximately 84% of gasoline tax revenues and 88% of diesel fuel revenues. The remaining share of such revenues is deposited into the Mass Transit Account. Federal gasoline excise taxes are the largest revenue source for the FHTF. The majority of these tax revenues, including 15.44 cents per gallon out of the current 18.40 cents per gallon federal fuel tax, go to the Highway Account, with the remainder being deposited in the Mass Transit Account.

The imposition of the taxes that are dedicated to the FHTF, as well as the authority to place the taxes in the FHTF and to expend moneys from the FHTF, all have expiration dates which must be extended periodically by Congress. The life of the FHTF has been extended several times since its inception, most recently by the FAST Act which reauthorized imposing the taxes dedicated to the FHTF generally through June 30, 2022. The FAST Act provides authority through September 30, 2020, to expend from the FHTF for programs under the FAST Act and previous authorization acts. Beginning on October 1, 2020, expenditures may be made only to liquidate obligations made prior to the September 30, 2020, deadline. The FHTF is required under current federal law to maintain a positive balance to ensure that prior commitments for distribution of federal revenues can be met.

Amounts in the FHTF can be affected by the expenditures therefrom and a number of revenue-impacting factors. Because the primary source of funds in the FHTF is federal excise taxes on motor fuels, any trend back to per capita declines in total vehicle miles traveled in conjunction with the increasing fuel efficiency of automobiles and trucks in the United States could result in the FHTF receiving less revenue from gasoline and diesel sales.

Over the past nine (9) years, spending has exceeded the FHTF's revenues by a total of \$74 billion. Since 2008, Congress has authorized a series of transfers to the FHTF to avoid delaying payments to state and local governments. Most recently, the FAST Act authorized the transfer of \$70 billion to the FHTF in December 2015 as the FHTF fund balance neared exhaustion. Including that amount, transfers into the FHTF since 2008 have totaled almost \$134 billion.

Although the user-taxes that fund the FHTF will continue to be collected and allocated to the FHTF under the FAST Act, and despite the \$70 billion transfer to the FHTF provided for by the FAST Act, the FHTF faces projected revenue shortfalls in the future primarily due to the previously described potential return to a decline in vehicle miles traveled and increase of fuel efficiencies. The Congressional Budget Office, in its Budget and Economic Outlook: 2016 to 2026, projects that the FHTF will be able to meet all obligations through FFY 2020, but that the FHTF balance will be exhausted in FFY 2021. Under current federal law, a positive balance is required to be maintained in the FHTF to ensure that prior commitments for distribution of federal revenues can be met. Unless Congress enacts a measure to address revenue generation for the FHTF, the FHTF will face another revenue shortfall when the FAST Act expires, which may impact the availability of Federal Transportation Funds to be appropriated to NJDOT and available to be appropriated by the State Legislature to pay debt service on the 2018 Notes.

FEDERAL TRANSPORTATION FUNDING FOR FEDERAL AID PROJECTS HAS CONTINUED IN THE PAST NOTWITHSTANDING OCCASIONAL LAPSES OF AUTHORIZATION – EITHER MULTI-YEAR OR INTERIM. HOWEVER, THE MECHANISMS WHICH ALLOW THIS DEPEND ALMOST EXCLUSIVELY ON THERE BEING SUFFICIENT MONEYS IN THE FHTF. IF THERE IS A DEFICIT IN THE FHTF, NONE OF THE HEREAFTER DESCRIBED MECHANISMS MAY BE ALLOWED TO OPERATE – POSSIBLY RESULTING IN INSUFFICIENT FEDERAL TRANSPORTATION FUNDS AVAILABLE TO BE APPORTIONED TO THE NJDOT AND APPROPRIATED BY THE STATE LEGISLATURE TO MAKE PAYMENTS PURSUANT TO THE REIMBURSEMENT REVENUE FUNDING AGREEMENT. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2018 NOTES - Property Pledged to the 2018 Notes; the Funding Agreements; the Act; the Indenture” herein.

Federal Aid Funding Procedures

The FAHP continues to enable the construction of an extensive national transportation system through reimbursement of a large percentage of state expenditures for approved highway projects. The financial assurance provided by the FAHP is unusual among federal programs in that:

- (i) The FAHP is funded by dedicated revenues, from a user-tax source, deposited in a special trust fund (the FHTF);
- (ii) The contract authority of the FHWA is established through a multi-year authorization act rather than through annual appropriation acts; and
- (iii) Contract authority is not at risk during the annual appropriations process (as budget authority is in most other federal programs), although an appropriations act is required in order to liquidate obligations.

The following summarizes the major steps in funding the Federal-Aid Highway Program.

Authorization. The first and most important step in funding the FAHP is the development and enactment of authorizing legislation. Authorizing legislation for highways began with the Federal-Aid Road Act of 1916 and the Federal Highway Act of 1921. These acts provided the foundation for the FAHP as it exists today. Since that time, the FAHP has been continued or

renewed through the passage of authorization acts. Since 1978, Congress has passed highway legislation as part of larger, more comprehensive surface transportation acts and, between such authorizations, through multi-month authorizations. Surface transportation acts can vary in their scope and duration. Some transportation acts are major multi-year bills, such as the FAST Act. However, a surface transportation act can also come in the form of a stop-gap funding bill, designed to extend the program and keep it operational while more comprehensive authorizing legislation is debated.

The authorization act not only shapes and defines programs, but also sets upper limits (authorizations) on the funding for programs and includes provisions related to the operation of the FHTF. Once Congress has established authorizations, the next step involves how funds are made available to states. Typically, federal programs operate using appropriated budget authority which means that funds, although authorized, are not available until passage of an appropriations act. However, most programs within the FAHP do not require this two-step process. Through what is termed “contract authority” (a special type of budget authority), authorized amounts become available for obligation according to the provisions of the authorization act without further legislative action. For the FAHP, funds authorized for a FFY are available for distribution through apportionments or allocations. The use of contract authority gives the states advance notice of the level of federal funding at the time an authorization act is enacted, eliminating much of the uncertainty associated with the authorization-appropriation sequence.

The existence of dedicated revenues in the FHTF and of multi-year contract authorizations are designed to provide a predictable and uninterrupted flow of reimbursements to the states. The risk of contract authority lapsing between authorizing acts is minimal, since sufficient unobligated balances generally exist that can be used by the states, with the approval of Congress, to cover gaps in funding between multi-year reauthorization acts. See “Lapsing of Authorization” below.

Apportionment and Allocations. For most components of the FAHP, the authorization act sets the distribution of contract authority to be apportioned and/or allocated to the states. The authorized amount for a given FFY is distributed to the states through apportionments and allocations.

Apportionments. The distribution of funds using a formula provided in law is called an apportionment. Most federal-aid funds are distributed to states through apportionments. Each FFY, the FHWA is responsible for apportioning authorized funding for the various highway programs among the states according to formulas established in the authorizing statute. Apportionment factors include items such as lane miles, vehicle miles traveled, taxes paid into the FHTF and diesel fuel usage. Annual apportionments are generally made on the first day of the FFY.

Allocations. Some categories of the FAHP do not have a legislatively mandated distribution formula. When there are no formulas in law, the distributions of funds are termed “allocations” which may be made at any time during the FFY. In most cases, allocated funds are divided among states with qualifying projects applying general administrative criteria provided in the law.

Federal-aid highway apportionments are available to states for use for more than one (1) year. Their availability does not terminate at the end of the FFY, as is the case with most other federal programs. In general, apportionments are available for three (3) years plus the year that they are apportioned. Consequently, when new apportionments or allocations are made, the amounts are added to a state’s carryover apportionments from the previous year. Should a state fail to obligate a year’s apportionments within the period of availability (usually a total of four (4) years) specified for a given program, the funds will lapse.

Obligation. Obligation is the legal commitment (or promise) of the federal government to pay, through reimbursement to a state, the federal share of an approved project's eligible costs, which may include debt service on obligations issued to finance a project. This process is important to the states because it allows states to award contracts with assurance that the federal government will reimburse its share of incurred costs. Once an obligation is made, the federal government is to reimburse the states when bills or payments become due.

Once Congress establishes an overall obligation limitation (see "Federal Aid Funding Procedures – Appropriations" below), FHWA distributes Obligation Authority ("OA") to states proportionately based on each state's share of apportioned and allocated revenues. The actual ratio of OA to apportionment and allocations may vary from state to state, since some federal-aid programs are exempt from the obligation limitation. During the FFY, states submit requests to FHWA to obligate funds, representing the federal share of specific projects. As a state obligates funds, its balance of OA is reduced. A state's OA (unlike its apportionments and allocations of authorized funding) must be obligated before the end of the FFY for which it is made available; if not, it will be redistributed to other states to ensure that the total limitation nationwide will be used. A state may receive additional OA through a redistribution process each year in August which reallocates OA from states or programs unable to fully obligate their share to other states that are able to obligate more than their initial share. New Jersey has historically used all of its OA in each FFY and has, in the last ____ years, received additional OA from the FHWA redistribution.

Appropriations. Congressional appropriations committees use federal-aid highway revenues as a means of balancing the annual level of highway spending with other federal budget priorities. Thus, Congress may place a restriction or "ceiling" on the amount of federal assistance that may be obligated during a specified time period. The obligation limitation is the amount of authorized funding that Congress allows states to obligate in an individual year. This is a statutory budgetary control that does not affect the apportionment or allocation of funds. Rather, it controls the rate at which these funds can be used, and, in effect, can limit the amount of funds which can be used.

Although a ceiling on obligations restricts how much funding may be used in a FFY, states have flexibility within the overall limitation to mix and match the type of program funds it obligates, based on its individual needs, as long as it does not exceed the ceiling in total. Also, generally, the unobligated balance of apportionments or allocations that a state has remaining at the end of any FFY is carried forward into subsequent FFYs and is available for use, contingent upon the availability of OA issued in each year.

Highway Program Implementation. In order to receive federal reimbursements for transportation projects, states are required to develop long-range transportation plans that are based on realistic projections of state and federal funding. Projects are not eligible for federal reimbursements unless they are either directly identified in a long-range plan or consistent with policies and objectives identified in long-range plans and are included in the five-year Statewide Transportation Improvement Program (the "STIP") which lists all projects proposed for financing in the applicable period. The STIP requires FHWA approval.

States are required to follow federal fiscal management procedures as they implement projects that are included in the STIP. These fiscal management processes ensure that the process is managed efficiently from project authorization to actual payment of FHWA reimbursements to the state. Further, states are required to use a detailed accounting system to track project expenditures and reimbursements. In addition, a federal system tracks payments to states.

States may request FHWA approval for eligible projects either through the traditional process or through the advance construction procedure as discussed below:

Traditional Approach. Under the traditional highway funding approach, FHWA approves the full federal share of the funding for a project at the beginning of the project, concurrent with project authorization. The first step in the fiscal management process begins when a state requests authorization to use federal funds on a project. FHWA regulations and guidance outline requirements for authorization based on the type of project. As an example, FHWA would require that a project sponsor complete, among other items, project plans, specifications and estimates (“PS&E”) prior to requesting authorization for a construction project. In addition, all projects must be identified in the STIP prior to authorization.

FHWA evaluates the PS&Es to ensure that the project is eligible for federal funding and meets a variety of federal requirements. Provided that all requirements are satisfied, FHWA authorizes federal participation in the project and obligates the federal share of project costs. By obligating the funds, the FHWA makes a commitment to reimburse a state for the federal share of eligible project costs. It sets aside the appropriate amount of the state’s OA and also sets aside an equivalent amount of apportionments by program. Accordingly, a state must have sufficient OA to cover the level of federal participation it is requesting.

Once authorization for a project has been obtained, the state advertises the project and receives bids. The state will award the contract to the lowest responsive bidder and submits a modified agreement to FHWA requesting any necessary adjustments to federal funding to reflect the actual bid amount. The project agreement identifies the funds that are estimated to be expended by the state and the amount that will be reimbursed by the federal government.

Advance Construction Approach. In recent years, FHWA has implemented several new fiscal management techniques that provide states additional flexibility in managing their OA and cash flow. Advance Construction (“AC”) and partial conversion of advance construction are two key techniques that facilitate federal-aid project funding.

The AC approach for authorizing projects allows states to finance projects that are eligible for federal aid without obligating the full federal share of costs at the beginning of the project. This allows states to begin a project before accumulating all of the OA needed to cover the federal share of the project. Similar to the traditional approach, states submit PS&Es to FHWA and requests project authorization. Under AC, however, FHWA is asked to authorize the project without obligating federal funds. A state will provide the up-front financing for the project and then at a later date “convert” the AC project to a regular federal-aid project and obligate the full federal share of the project costs, when sufficient OA is available. At the time of conversion, the state can be reimbursed for the federal share of costs incurred up to the point of conversion.

Partial conversion of AC is a form of advance construction in which a state converts, obligates, and receives reimbursement for only a portion of its funding of an AC project in a given year. This removes any requirement to wait until the full amount of OA for the project is available. A state can therefore obligate varying amounts for the project’s eligible cost in each year, depending on how much of the state’s OA is available. Using the technique to partially convert the federal share makes bond and note financing more viable and federal-aid funds available to support a greater number of projects. The National Highway System Act of 1995 provided additional flexibility in the use of AC by allowing partial conversion of AC.

Under the FAHP, as projects are approved by FHWA, the aggregate dollar amount of each contract relating thereto will be obligated against the remaining annual amount of OA still available to a state. The state will then pay the amounts owed under each contract as the work progresses and receive reimbursement from the federal government for the federal share of the total costs. The aggregate amount of reimbursement received by a state in any year typically does not equal that state’s apportionment for such year. Many projects and contracts extend over a number of years which means that the aggregate amount made available to the state in any one year, if fully

obligated, may be received as reimbursement over a longer period of time relating to the actual pace of construction. New Jersey expects to have sufficient projects which will qualify to allow it to access all Federal Transportation Funds made available to it.

Reimbursement. The FAHP is a reimbursement program. As work progresses on a federal-aid highway project, a state will pay the contractor for completed work from available state funds. The state electronically transmits vouchers for the federal share of completed work and certifies to FHWA that the claims for payment are in accordance with the terms of the project agreements and applicable state and federal laws or regulations. After review and approval by the FHWA Division office, payment is scheduled for the date requested by the state. Payment is transferred directly from a Federal Reserve Bank to the state's account at a financial institution by wire transfer and is generally scheduled to be made within two (2) days of the submission of the state's electronic bill. See "NEW JERSEY RECEIPTS OF FEDERAL TRANSPORTATION FUNDS" below for a description of the New Jersey's reimbursement procedures.

Lapsing of Authorization

All federal programs must be authorized through enacted legislation that defines the programs and establishes maximum funding levels, and for most programs annual appropriations acts are necessary in order to create budget authority. Indeed, for most federal domestic discretionary programs, a lapsed authorization may have little or no effect on a program, so long as revenues are appropriated. For the FAHP, the consequences of lapsed authorization caused when Congress fails to enact reauthorization legislation are somewhat different. While Congress may pass interim legislation, the existence of contract authority and a dedicated revenue stream means that the FHWA usually can continue to provide OA by administrative action.

In periods which the previous authorizing legislation has expired and the future legislation has yet to be enacted, Congress and/or the FHWA have historically found ways to avoid disruptions to state highway programs and, more importantly, have been able to maintain the flow of federal revenues to states in each instance. Examples of two (2) mechanisms that have, in particular, kept revenues flowing are described as follows:

Access to Unobligated Balances: The 1987 Surface Transportation and Uniform Relocation Assistance Act expired on September 30, 1991 and the Intermodal Surface Transportation Efficiency Act ("ISTEA") was not enacted until December 18, 1991. The FHWA was able to act administratively to keep federal-aid funding flowing because states could use their unobligated balances to provide contract authority to use new OA.

Short-Term Authorization: ISTEA expired on September 30, 1997 and until approval of The Transportation Equity Act for the 21st Century ("TEA-21") on June 9, 1998, no new long-term authorization legislation was enacted. Despite the lack of long-term authorizing legislation, states were provided an upper limit on OA through passage of an appropriations act plus access to their unobligated balances. On November 13, 1997, Congress passed the Surface Transportation Extension Act of 1997 ("STEA"), which provided a six-month authorization for highway funding and established a limit on the amount of new OA states could use at funding levels equal to about a quarter of Federal Fiscal Year 1997 authorization levels. Since most states have unobligated balances of at least half their normal annual OA levels and an authorization act need not be in place for the FHWA to give states new OA, states were able to spend down prior unfunded federal apportionments (contract authority) with newly allocated OA. The lack of an enacted authorization act during this period did not pose a threat to the continued flow of revenues, because dedicated highway user fees continued to flow into the FHTF. Similarly, TEA-21 expired on September 30, 2003 and until approval of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users ("SAFETEA-LU") on August 10, 2005, Congress passed several authorization

extension acts that reauthorized the FAHP through May 31, 2005 and, through passage of a combination of continuing resolutions and appropriations bills, states were provided OA to ensure the continuation of the FAHP. Following the expiration of SAFETEA-LU on September 30, 2009, Congress passed several authorization extension acts that reauthorized the FAHP through June 30, 2012. The last multi-year authorization of the FAHP prior to the FAST Act was MAP-21, which provided funding through September 30, 2014. Since August 2014, Congress used a series of five short-term authorizations to fund the FAHP until passage of the FAST Act on December 4, 2015.

In recent years, the congressional budget process has been contentious, which has created a level of uncertainty regarding budget-related legislation and could have an impact on the FAHP or the FHTF. There can be no assurance that any current provisions in the FAHP will be continued under any future federal authorization or that, if continued, such provisions will be sufficient to ensure that federal funding for the FAHP will be available as needed. Future legislation or certain other federal administrative action could reduce the amount of federal funding available to the New Jersey under the FAHP.

ALTHOUGH THESE MEASURES HAVE BEEN UTILIZED BY CONGRESS AND/OR FHWA IN THE PAST, NO ASSURANCE CAN BE GIVEN THAT SUCH MEASURES WILL BE ENACTED IN THE FUTURE TO MAINTAIN THE FLOW OF FEDERAL-AID FUNDING UPON TERMINATION OF AN AUTHORIZATION PERIOD. THE CURRENT AUTHORIZATION PERIOD ENDS SEPTEMBER 30, 2020.

Rescission of Unobligated Balances. Since late 2005, Congress has taken action to reduce unobligated balances of previously authorized apportionments by issuing the following rescissions (not included is a rescission for the end of SAFETEA-LU on September 30, 2009 in the amount of \$8.708 billion which was reversed on March 18, 2010):

RESCISSIONS OF UNOBLIGATED APPORTIONMENTS

<u>Date</u>	<u>National Amount</u>	<u>FHWA Notice</u>
12/28/2005	\$1,999,999,000	N 4510.578
3/21/2006	1,143,000,000	N 4510.588
7/7/2006	702,362,500	N 4510.606
3/19/2007	3,471,582,000	N 4510.643
6/20/2007	871,022,000	N 4510.647
3/4/2008	3,150,000,000	N 4510.673
4/13/2009	3,150,000,000	N 4510.707
8/13/2010	2,200,000,000	N 4510.729
6/30/2011	2,500,000,000	N 4510.735
6/21/2017	857,000,000	N 4510.814
10/01/2020	7,500,000,000	TBD*

*Section 1438 of the FAST Act, which took effect on December 4, 2015, directed FHWA to rescind \$7.5 billion of old unobligated apportionments from all states in FY 2020.

All such rescissions were spread among the 50 states on a proportional basis, the first three based on certain FFY 2006 apportionments, the fourth and fifth on certain FFY 2007 apportionments, the sixth on certain FFY 2008 apportionments, the seventh and eighth on certain FFY 2009 apportionments, the ninth on certain FFY 2011 apportionments, and the last on certain FFY 2017 apportionments. The aggregate amount for these rescissions for New Jersey is \$559,431,362. All of these rescissions were applied to reduce the unobligated apportionment balances from prior years, but the rescission of March 21, 2006 affected the New Jersey's obligation limitation by \$8,000,000. A portion of the 2009 rescission was restored to New Jersey in 2010. Further rescissions are possible and may have an adverse effect on the State and its highway program. See "INVESTMENT CONSIDERATIONS – Factors Affecting Federal Transportation Funds" herein.

NEW JERSEY RECEIPTS OF FEDERAL TRANSPORTATION FUNDS

The amount of Federal Transportation Funds that the State will receive in the future will depend upon several factors including the amount of apportionments provided to the State by the federal government under the FAHP, the State receiving OA and the State's expenditures on eligible projects. The sections below summarize the State's recent history of funding and anticipated funding levels that are to be made available to the State under the FAST Act.

NJDOT FHWA Current Billing Procedures

NJDOT prepares a long-range STIP for FHWA approval which identifies potential projects that may be submitted for reimbursement over that period. Annually, NJDOT pursuant to N.J.S.A. 27:1B-22(c), prepares the "Annual Transportation Program" (the "Capital Program") which lists projects identified in the STIP that NJDOT expects to submit to FHWA for funding approval. The Capital Program is submitted to the State Legislature for review by mid-April of each year and is incorporated into the State's Annual Appropriations Act for each State Fiscal Year.

Projects included in the Capital Program are submitted by NJDOT to FHWA for approval and obligation of funds. Once FHWA has approved a project, NJDOT begins work on the project. As invoices are generated with respect to a project, the invoices are paid by the State Treasurer from the State's General Fund. NJDOT submits a billing which summarizes paid invoices to FHWA on a weekly basis for reimbursement, and FHWA wires reimbursements each week to the New Jersey Department of Treasury, which then reimburses the State's General Fund.

Obligation Authority Provided to NJDOT

Since the advent of the modern multi-year federal authorizing Act in 1982, the State has received substantial funding through the Federal Highway Program. The following table identifies NJDOT's Apportionments, Obligation Authority of NJDOT, Obligation Authority Transferred to FTA, total Reimbursements, and Reimbursements plus Transfers to the Federal Transportation Administration ("FTA") from FFY 2008 through 2017. The ability to pay principal, redemption price of and interest on the 2018 Notes will depend upon the amount of Reimbursements provided to New Jersey under the FAHP, the legal availability thereof and New Jersey's ability to use such Reimbursements.

STATE RECEIPTS OF FEDERAL TRANSPORTATION FUNDS
(\$ in millions)

Federal Fiscal Year	Total Apportionments⁽¹⁾	Obligation Authority⁽¹⁾	Apportionments & Obligation Authority Transferred to FTA	FHWA Reimbursements	FHWA Reimbursements Plus Transfers
2008	1,060.10	908.90	147.30	796.90	944.20
2009	1,536.70	954.10	132.50	751.41	883.91
2010	1,323.00	1,051.10	281.60	899.20	1,180.80
2011	1,022.60	964.30	125.90	811.63	937.53
2012	1,085.00	921.30	140.10	774.95	915.05
2013	1,247.80	971.40	164.90	813.49	978.39
2014	1,086.59	913.20	260.20	954.92	1,215.12
2015	1,030.80	998.30	226.70	920.16	1,146.86
2016	1,014.80	905.20	218.50	880.90	1,099.40
2017 ⁽²⁾	1,124.50	975.40	223.20	783.75	1,006.95

Source: NJDOT

⁽¹⁾ Prior to transfers to other agencies, primarily FTA for the benefit of New Jersey Transit Corporation.

⁽²⁾ The Federal Fiscal Year 2017 transfers to the FTA are estimated.

The following table identifies projected total apportionments to the State and Obligation Authority that is projected to be transferred to the FTA for FFYs 2018 through 2022.

**PROJECTED APPORTIONMENTS AND TRANSFERS PURSUANT TO
FIXING AMERICA'S SURFACE TRANSPORTATION ACT**
(\$ in millions)

Federal Fiscal Year	Total Apportionments⁽¹⁾	Obligation Authority Transferred to FTA
2018	1,057.45	142.00
2019	1,148.40	76.00
2020	1,049.40	76.00
2021	1,087.10	76.00
2022	1,102.00	76.00

Source: NJDOT

⁽¹⁾ Prior to transfers to other agencies, primarily FTA for the benefit of New Jersey Transit Corporation.

The Commissioner has covenanted in the Reimbursement Revenue Funding Agreement that, for so long as the 2018 Notes, any Additional Notes consisting of Indirect GARVEE Notes or Gross Funded Direct GARVEE Notes or any related Financing Facility Payment Obligations are Outstanding, the Commissioner will not enter into any agreement, memorandum of understanding or other arrangement of any kind whatsoever which obligates the Commissioner, NJDOT or any other party to transfer any of the Federal Transportation Funds to any other entity, including FTA, under a flexible funding program in any Fiscal Year until the Commissioner shall have received a signed Reimbursement Revenue Sufficiency Date Notice for such Fiscal Year from the Trustee. See "APPENDIX III – COPY OF 2016 REIMBURSEMENT REVENUE FUNDING AGREEMENT AND FORM OF FIRST AMENDMENT TO REIMBURSEMENT REVENUE FUNDING AGREEMENT."

STATE MONTHLY RECEIPTS OF FEDERAL TRANSPORTATION FUNDS
(\$ in millions)

Federal Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Minimum	\$46.33	\$47.80	\$44.46	\$45.96	\$50.27	\$38.50	\$43.73	\$53.78	\$51.70	\$40.42
Maximum	91.88	79.58	144.18	100.30	86.96	114.39	111.80	98.42	105.68	88.73
Average	66.41	62.62	74.93	67.64	64.58	67.79	79.58	76.68	73.41	65.31

Source: NJDOT

Through FFY 2017, the minimum monthly reimbursement received by NJDOT from FHWA was \$38.5 million, the maximum monthly reimbursement received was \$144.2 million, and monthly reimbursements averaged \$69.6 million.

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Obligated Unreimbursed Balances

Federal Transportation Funds, once obligated, are available to be drawn down over several years. Such amounts are not subject to Congressional reauthorization or budget procedures. Because of the multi-year nature of many projects, at any given time the State has available a balance of obligated but unreimbursed funds. In addition, the State's Annual Appropriations Act historically has contained carry-forward language that permits Federal Transportation Funds to be drawn down in subsequent years. This obligated unreimbursed balance represents amounts of federal reimbursement that will be paid to the State as the current transportation projects in process are completed over the construction cycles of each type of project. The following table sets forth the State's obligated unreimbursed balances at the end of each of the FFYs 2008 through 2017.

UNEXPENDED FEDERAL OBLIGATIONS BY FFY (ACTUAL PROJECTS) (\$ in millions)

Federal Fiscal Year⁽¹⁾	Unexpended Obligation
2008	\$1,299.08
2009	1,880.29
2010	1,921.51
2011	1,961.96
2012	1,995.65
2013	2,248.23
2014	1,991.52
2015	1,910.75
2016	1,749.38
2017	1,805.52

Source: NJDOT: FHWA FMIS80A report

⁽¹⁾ As of September 30 of each such Federal Fiscal Year.

State Match

Since it was first authorized in federal law in 1992, the State has used "soft match" toll credits to leverage Federal Transportation Funds. These credits are earned by independent, transportation-related authorities, primarily the New Jersey Turnpike Authority, the South Jersey Transportation Authority, the Port Authority of New York and New Jersey, the Delaware River Joint Toll Bridge Commission, and the Delaware River Port Authority ("DRPA"). Each of those entities spend toll-supported capital on roads that are considered part of the Federal-Aid Highway system. Through this practice, the State avoids the need to use State funds to match federal transportation aid, as many other states typically do, and thus may use the Authority funds for 100% State-funded projects. Through FFY 2017, the State possessed a credit balance of approximately \$5.7 Billion.

Historically, the State has accumulated a surplus of credits because annual capital expenditures of the toll road authorities far exceeded the amount that NJDOT and New Jersey Transit Corporation ("NJ Transit") required to match federal funds each year. This relationship is reflected in the chart on soft match credits and usage below. Nearly 85% of the annual credits

are attributable to the New Jersey Turnpike Authority, whose share increased markedly in recent years due to capital spending on major road widening projects.

To qualify for the soft match program, and to preserve the ability to add new credits, federal law requires states to maintain their level of effort (i.e., state-funded investment) in supporting transportation improvements. Though there are several methods that may be employed, the Maintenance of Effort ("MOE") calculation typically must show that current state spending on transportation capital exceeds the annual average of the previous three fiscal years. NJDOT annually files a report with the regional FHWA office on the MOE calculation as well as annual toll credit expenditures and usage of soft match credits by both NJDOT and NJ Transit, the primary users of such credits.

Unused toll credits do not lapse, but rather carry-forward from year to year. Additionally, earned credits may be used to leverage federal funds regardless of whether the State satisfies the MOE in that particular fiscal year. Toll credits may be applied at any time during the development and implementation of a project, including after the execution of the initial project agreement. Presently, credits may be applied to any project authorized by Title 23 of the United States Code, except for projects funded with federal emergency relief funds.

NEW JERSEY SOFT MATCH CREDITS AND USAGE
(FFYs, \$ in millions)

Soft Match Credit History	2009	2010	2011	2012	2013	2014	2015	2016	2017
Opening Balance	\$2,311	\$2,486	\$2,800	\$3,325	\$3,950	\$3,656	\$4,626	\$5,324	\$6,019
New Credits*	449	568	797	900	--	1,242	996	899	--
Usage (NJDOT, NJ Transit, DRPA)	274	254	272	275	294	272	268	204	302
Ending Balance	\$2,486	\$2,800	\$3,325	\$3,950	\$3,656	\$4,626	\$5,461	\$6,019	\$5,717

Source: NJDOT

*New credits were not received in FFY13 and FFY17 because the State did not satisfy the FHWA's MOE test.

DEBT SERVICE COVERAGE

The following table compares annual debt service on the Notes to amounts estimated as close approximations of annual Pledged Revenues – determined by NJDOT for this purpose as the “FHWA Reimbursements Plus Transfers” column under the chart entitled “STATE RECEIPTS OF FEDERAL TRANSPORTATION FUNDS” under the caption “NEW JERSEY RECEIPTS OF FEDERAL TRANSPORTATION FUNDS” herein, using the amount of FFY 2017 Reimbursements plus Transfers less Excluded Revenues as anticipated Pledged Revenues. The resulting ratios are estimates given solely for general information and actual results will be different.

State Fiscal Year	Debt Service on Notes¹	Projected Reimbursements Plus Transfers²	Coverage Ratio¹
2019	\$ 337,602,255	\$1,006,950,000	2.98
2020	337,601,505	1,006,950,000	2.98
2021	337,604,505	1,006,950,000	2.98
2022	337,602,755	1,006,950,000	2.98
2023	337,602,005	1,006,950,000	2.98
2024	337,601,505	1,006,950,000	2.98
2025	337,604,255	1,006,950,000	2.98
2026	337,601,798	1,006,950,000	2.98
2027	337,602,000	1,006,950,000	2.98
2028	337,605,750	1,006,950,000	2.98
2029	337,601,250	1,006,950,000	2.98
2030	337,600,750	1,006,950,000	2.98
2031	337,604,250	1,006,950,000	2.98

¹ Does not include impact of planned refunding of the Notes to be Refunded by the 2018 Notes.

² Represents total funds received for Federal Fiscal Year 2017.

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, NJDOT. The purpose of the Authority is to provide the payment for and financing of all or a portion of the costs incurred by NJDOT 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 NJDOT 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 NJDOT from legislative appropriations to NJDOT of Authority funds. Under the Act, the Authority is obligated to provide such amount from its revenues or other funds, including proceeds of Notes. The Act directs the Authority, within fifteen (15) calendar 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 NJDOT only pursuant to project-specific legislative appropriations. NJDOT 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 Indenture.

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 of the State (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:

Diane Gutierrez-Scaccetti: Acting Chairperson; Acting Commissioner of the New Jersey Department of Transportation (*ex-officio*).

Elizabeth Maher Muoio: Treasurer of the State of New Jersey (*ex-officio*).

Greg Lalevee: Vice Chairperson; Statutory Representative of Interest of Trade Unions; Public Member.

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

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

John J. Duthie: _____; Public Member.

[There is currently one (1) 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.

Anthony Longo: Treasurer; Senior Manager, Office of Public Finance, New Jersey Department of the Treasury.

David Moore: Assistant Treasurer; Deputy Director, Office of Public Finance, New Jersey Department of the Treasury

Samuel Braun: Comptroller; Division of Budget, New Jersey Department of Transportation.

Linda Davino: Secretary; New Jersey Department of Transportation.

Jackie Brown; Assistant 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 (15) 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, unless during such fifteen (15) 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 "SOURCES OF PAYMENT AND SECURITY FOR THE 2018 NOTES - Property Pledged to the 2018 Notes; the Funding Agreements; the Act; the Indenture" 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 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.

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. NJDOT 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 NJDOT are to be funded primarily by a combination of federal moneys, Authority funds and funds from the Port Authority of New York and New Jersey and from the New Jersey Turnpike Authority. 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

The State's transportation system consists of 2,326 center line miles of state highways maintained by NJDOT and approximately 36,716 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 2,389 are owned by NJDOT, 107 are owned by NJ Transit, 1,174 are owned by independent toll road authorities, 2,668 are owned by counties and municipalities and the remainder are owned by other private and public entities.

The State's transportation system also consists of commuter rail, light rail, and bus lines in the State, which are principally operated by NJ Transit. Covering a service area of 5,325 square miles, NJ Transit is one of the nation's largest providers of bus, rail, and light rail transit, linking major points in New Jersey, New York, and Philadelphia. NJ Transit operates a fleet of over 2,200 buses, 1,289 locomotives and rail cars, and 93 light rail vehicles. NJ Transit also provides more than 800 buses for routes operated by other carriers. [On 262 bus routes, 12 heavy rail lines, and three light rail lines, riders took over 271 million unlinked trips in State Fiscal Year 2014.]

NJ Transit also provides connections to other transit systems. At New York's Penn Station, connections are available from NJ Transit lines to Amtrak, the Long Island Railroad and New York City subway lines. In 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 needs. NJDOT’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. NJDOT 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. NJDOT 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, NJDOT retains certain regulatory control over safety and maintenance. NJDOT’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 the State.

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

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

The Chief of Staff is responsible for legislative relations, communications, and customer advocacy, as well as human resource management, employee safety, information systems, training and development, civil rights and affirmative action programs.

The Assistant Commissioner for Finance and Administration supervises the Department’s financial affairs as well as information systems, procurement, and capital investments/program coordination. The Assistant Commissioner assesses current and future conditions, demands and opportunities to improve transportation facilities and services, and also develops a Statewide Transportation Capital Investment Strategy, the Annual Capital Program, the Statewide Transportation Improvement Program, and the Study and Development Program.

The Chief Financial Officer provides general oversight of NJDOT’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 NJDOT’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 Planning, Multimodal and Grant Administration is responsible for planning services across 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, operates a research and technology effort that investigates and demonstrates new transportation technologies, and develops an asset management program to optimize investment in the State’s existing transportation infrastructure.

The Assistant Commissioner for Capital Program Management (“CPM”) is responsible for the development and delivery of NJDOT’s annual Capital Program to ensure that program objectives, project commitments and schedules are met. CPM is comprised of six divisions: Construction Services and Materials, Project Management, Right of Way and Access Management, Capital Program Support, Highway and Traffic Design, and Bridge Engineering and Infrastructure Management. This includes oversight of all aspects of: project management, environmental services, property acquisition, design, quality assurance, and construction management for all active projects. CPM is also responsible for a number of other engineering functions that are ancillary to the delivery of the Capital Program including: pavement management, the “Good Neighbor” landscaping program, railroad grade crossing safety programs, the New Jersey Major Access Permit Program, the Wireless Communications License Program, and ensuring statewide compliance with National Bridge Inspection Standards.

The Assistant Commissioner for Operations is responsible for maintenance and operation of the State highway system and NJDOT’s physical plant facilities. 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.

The Assistant Commissioner for Transportation Systems Management is responsible for intelligent transportation systems and emergency patrols as well as coordination of traffic operations centers and incident management services provided by NJDOT 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.

RISK FACTORS

Factors Affecting Federal Transportation Funds

Current funding authorization expires on September 30, 2020, and, as discussed under the caption “INFORMATION CONCERNING THE FUNDING OF FEDERAL - AID HIGHWAYS—Reauthorization, Extensions and Proposed Legislation,” reauthorizing legislation for highway transportation projects to be funded directly or indirectly from federal aid must be adopted by Congress from time to time. Such reauthorization legislation may include measures designed to provide continuity in the flow of federal transportation funds to the states, including the State. There can be no assurance that such measures will be continued under any future federal reauthorization or that, if continued, such measures will be sufficient to ensure that Federal Transportation Funds will be available to NJDOT as needed if in the future Congress amends existing laws or fails to reauthorize expired transportation legislation, or if future legislation or federal administrative action reduces the amount of Federal Transportation Funds available to NJDOT.

Even when there is in existence authorization legislation, the amount of federal transportation funds is dependent on many factors. Some factors, including a trend back to the lower number of vehicle miles being traveled in a particular year, as well as increased fuel

efficiency, have an adverse effect on FHTF amounts. See “INFORMATION CONCERNING THE FUNDING OF FEDERAL AID - HIGHWAYS – The Federal Highway Trust Fund.”

There can be no assurance that there will not be future changes in law, regulation, policy, or the availability of revenues at the federal level which may materially adversely affect the future availability of Federal Transportation Funds to pay debt service on the Notes. See “INFORMATION CONCERNING THE FUNDING OF FEDERAL AID - HIGHWAYS.”

Additional Notes; Financing Facilities

Although the Indenture prohibits the issuance of obligations having a lien on Reimbursement Revenues prior or senior to the lien of the 2018 Notes, the Authority may issue, from time to time, Additional Notes that constitute Indirect GARVEE Notes or Gross Funded Direct GARVEE Notes on a parity with the 2018 Notes, upon satisfaction of the requirements of the Indenture before such issuance. The Indenture permits the Authority to enter into Financing Facilities secured on a parity with the 2018 Notes. In addition, the Indenture permits the Authority to issue Additional Notes that constitute Direct GARVEE Notes, payable from that portion of the Trust Estate that constitute Grant Revenues, and to enter into Financing Facilities related to such Direct GARVEE Notes.

The issuance of Additional Notes would decrease the amount of Pledged Revenues available to pay Note Payment Obligations or Financing Facility Payment Obligations, thereby diluting the security for any then outstanding Indirect GARVEE Notes and Gross Funded Direct GARVEE Notes or related Financing Facilities including, without limitation, the 2018 Notes. See “SOURCES OF PAYMENT AND SECURITY FOR THE 2018 NOTES – Additional Notes” herein and “APPENDIX II – COPY OF MASTER INDENTURE – ARTICLE II – AUTHORIZATION AND ISSUANCE OF NOTES”.

Mandatory Prepayment Amortization of 2016 Series B Notes

Pursuant to the terms of the Loan Agreement, upon the occurrence of a 2016 Series B Note Prepayment Event (as such term is defined in Appendix VII of this Official Statement), the 2016 Series B Notes may, at the election of the Bank, become subject to mandatory prepayment prior to maturity during the Mandatory Prepayment Amortization Period commencing on the Mandatory Prepayment Amortization Commencement Date and ending on the Mandatory Prepayment Amortization End Date. During the Mandatory Prepayment Amortization Period, the 2016 Series B Notes shall bear interest at the rate of twelve percent (12.0%) per annum and shall be payable in principal installments on each Mandatory Prepayment Amortization Payment Date, defined as (i) the Mandatory Prepayment Amortization Commencement Date, (ii) the first (1st) Business Day of every sixth (6th) calendar month thereafter prior to the Mandatory Prepayment Amortization End Date, and (iii) the Mandatory Prepayment Amortization End Date. The foregoing provisions shall apply whether or not such 2016 Series B Note Prepayment Event constitutes or results from the occurrence of an Event of Default under the Indenture and whether or not such 2016 Series B Note Prepayment Event results from the occurrence of an Event of Non-Appropriation or the Unavailability of Federal Transportation Funds. See “APPENDIX VII” hereto.

If the Bank exercises its right to a mandatory prepayment amortization of the 2016 Series B Notes, such mandatory prepayment amortization would decrease the amount of Reimbursement Revenues available to pay Note Payment Obligations or Financing Facility Payment Obligations, thereby diluting the security for any then outstanding Indirect GARVEE Notes and Gross Funded Direct GARVEE Notes and related Financing Facilities including, without limitation, the 2018 Notes.

The Loan Agreement also provides that the interest rate on the 2016 Series B Notes will increase by twenty-five (25) basis points upon the downgrade of the rating on any bonds issued by the Authority pursuant to the Act and the 2012 Transportation Program Bond Resolution adopted by the Authority on October 6, 2012, as amended and supplemented (the "Program Bonds") below their ratings in effect on the date of issuance of the 2016 Series B Notes of "A3" by Moody's (as herein defined), "A-" by S&P (as herein defined) and "A-" by Fitch (as herein defined), respectively, but at or above "Baa3" (or its equivalent), "BBB-" (or its equivalent), and "BBB" (or its equivalent) respectively. This twenty-five (25) basis point increase in the interest rates on the 2016 Series B Notes is currently in effect as a result of downgrades in the ratings of the Program Bonds (i) to BBB+, by S&P, on November 15, 2016, and thereafter (ii) to Baa1, by Moody's, on March 31, 2017. If, at any time, any two of Fitch, Moody's and S&P shall have downgraded its rating of the Program Bonds (without regard to credit enhancement) to below "Baa3" (or its equivalent), "BBB-" (or its equivalent), and "BBB-" (or its equivalent) respectively, or suspended or withdrawn its rating of the same, such downgrade, suspension or withdrawal would constitute an Event of Default under the Loan Agreement, whereupon the 2016 Series B Notes shall bear interest at a default rate of interest equal to twelve percent (12%) per annum. However, such downgrade would not result in a 2016 Series B Prepayment Event.

The interest rate on the 2016 Series B Notes will also increase on the date on which interest on the 2016 Series B Notes is first includable in gross income of the Bank or any Participant as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability. In such event, the interest rate on the 2016 Series B Notes will increase to a rate (the "Taxable Rate") equal to the product of the rate then in effect on the 2016 Series B Notes multiplied by 1.54, or, if either the Default Rate or the Mandatory Prepayment Rate is in effect, the Default Rate or Mandatory Prepayment Rate, as applicable, provided that the Taxable Rate shall not exceed the Maximum Rate. However, the occurrence of an Event of Taxability would not result in a 2016 Series B Prepayment Event.

U.S. Treasury Offset Program ("TOP")

The TOP is administered pursuant to the Debt Collection Act of 1996 and the regulations related thereto. The TOP requires the U.S. Treasury and other disbursing federal agencies to collect delinquent debts owed to the United States. Under the TOP, if a "person" is in debt to the United States, then federal agency payments may be offset through the TOP by the amount of the debt owed and up to the amount of the scheduled payment. "Person" is defined to include a state or local government. Administrative offset under the TOP is precluded only when another law specifically prohibits the offset. Payments of Grant Revenues or Reimbursement Revenues from FHWA to NJDOT could be subject to the TOP if the State owes any delinquent debts to the United States. In the last five years, no payments from FHWA to NJDOT have been delayed or withheld as a result of the TOP. No assurances can be given on whether any future payments of Grant Revenues or Reimbursement Revenues to NJDOT will be delayed or withheld as a result of the TOP. Any such delay or withholding could affect the future availability of Reimbursement Revenues to pay debt service on the 2018 Notes.

Special Limited Obligations: No Pledge of State Taxing Power

All notes issued under the indenture, including the 2018 Notes and Financing Facility Payment Obligations, if any, shall be special, limited 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 Indenture) 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 Indenture) 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 Note or other obligations of the Authority issued under the Indenture, unless funded or refunded by notes or other obligations of the Authority, shall be payable solely from the Trust Estate under the Indenture.

Appropriation Risk and Availability of Funds Risk

The payment of principal or Redemption Price of and interest of the Notes, including the 2018 Notes, by the Authority is subject to appropriations by the State Legislature and there is no legal or contractual obligation on the part of the State to make any such appropriation or to continue to make such appropriations at the level necessary to enable the Authority to timely pay the principal or Redemption Price of and interest on the Notes, including the 2018 Notes, or that the amount of such appropriations will not decline. Appropriations that have been included in the State's Annual Appropriations Act for a fiscal year can be modified during a fiscal year and thus there is no assurance that appropriations initially included in the State's Annual Appropriations Act will not be reduced in a fiscal year. The State Legislature has no obligation, legal, moral or otherwise, to make any such appropriations.

Payment of funds appropriated is also subject to the availability of funds. After enactment of the Annual Appropriations Act, during the course of the fiscal year, the Governor may take steps to reduce State expenditures if it appears that revenues have fallen below those originally anticipated at the time of enactment of the Annual Appropriations Act (also commonly referred to as the "budget"). Pursuant to various statutes, the Governor may order the Director of the Division of Budget and Accounting (the "Budget Director") to set aside a reserve out of each appropriation, and if sufficient revenues are not available by the end of the State fiscal year to fund such reserve, the amount reserved lapses back into the State's general fund. In addition, the Governor is authorized to prohibit and enjoin the expenditure of moneys in the case of extravagance, waste or mismanagement. Thus, even if there is sufficient line item appropriations to enable the Authority to timely pay the principal or Redemption Price of and interest on the Notes, including the 2018 Notes, the Governor may direct the Budget Director to reserve all or a portion of such line item and if such reserve continues to the end of the fiscal year, the line item appropriations will lapse.

For more information on the State's budget and appropriation process, see APPENDIX I – "INFORMATION REGARDING THE BUDGET AND APPROPRIATION PROCESS IN THE STATE OF NEW JERSEY."

No Remedies Available to Holders of Notes Upon an Event of Non-Appropriation or the Unavailability of Federal Transportation Funds.

There can be no assurances 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 or redemption Price of and interest on the Notes, including the 2018 Notes.

There can be no assurance that an “Unavailability of Federal Transportation Funds” may not occur in any Fiscal year.

A failure by the Authority to pay in full any Note Payment Obligations on any Notes, including the 2018 Notes or any Financing Facility Payment Obligations or to observe and perform any covenant condition or agreement under the Master Indenture or the Notes, including the 2018 Notes, resulting from an Event of Non-Appropriation or the Unavailability of Federal Transportation Funds does not constitute an Event of Default under the Master Indenture.

Upon the occurrence of an Event of Non-Appropriation or the Unavailability of Federal Transportation Funds, the Trustee, on behalf of the holders of the Notes, including the 2018 Notes and any Financing Facility provider, has no remedies. See APPENDIX II – “COPY OF MASTER INDENTURE – ARTICLE IX – EVENTS OF DEFAULT REMEDIES OF OWNERS.”

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 such bonds or notes shall be authorized security for any and all public deposits.

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 2018 Notes, or the contemplated uses of the proceeds of the 2018 Notes, or in any way contesting or affecting the validity of the 2018 Notes, the First Amendment to Reimbursement Revenue Funding Agreement, the 2016 Reimbursement Revenue Funding Agreement, 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 2018 Notes or the existence or powers of the Authority or the Reimbursement Revenue Funding Agreement 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 2018 Notes are subject to the approval of Chiesa Shahinian & Giantomasi PC, Bond Counsel. The opinion of Bond Counsel will be delivered with the 2018 Notes in substantially the form included in this Official Statement as APPENDIX V. Certain legal matters in connection with the 2018 Notes will be passed upon for the Authority by the Attorney General of the State, and for the Underwriters by their co-counsel, M. Jeremy Ostow, Esq., South Orange, New Jersey, and McManimon, Scotland & Baumann, LLC, Roseland, New Jersey.

TAX MATTERS

Federal Tax Matters

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 and delivery of the 2018 Notes in order that interest on the 2018 Notes be and remain excluded from the gross income of the owners thereof for federal income tax purposes under Section 103 of the Code. In the Tax Regulatory Agreement (the “Tax Certificate”) to be dated the date of issuance and delivery of the 2018 Notes and executed by the Authority, the Authority represents that the Authority expects and intends to be able to comply with, and will, to the extent permitted by law, comply with, the provisions and procedures set forth in the Tax Certificate and will do and perform all acts and things necessary or desirable in order to assure that interest on the 2018 Notes will be and remain excluded from gross income for federal income tax purposes. Failure of the Authority to comply with the requirements of the Code may cause interest on the 2018 Notes to be included in gross income of the owners thereof retroactive to the date of issuance of the 2018 Notes. In the opinion of Chiesa Shahinian & Giantomasi PC, bond counsel (“Bond Counsel”), to be delivered at the time of original issuance of the 2018 Notes, assuming continuing compliance with the applicable provisions of the Tax Certificate, pursuant to the applicable provisions of the Code and related regulations, rulings and judicial decisions, interest on the 2018 Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code and is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax. Although the federal corporate alternative minimum tax is repealed for taxable years beginning on and after January 1, 2018, for taxable years that began before January 1, 2018, interest on the 2018 Notes will be included in the calculation of the federal alternative minimum tax imposed on corporations as a result of the inclusion of interest on the 2018 Notes in “adjusted current earnings.”

[Bond Counsel is also of the opinion that the difference between the principal amount of the 2018 Notes described below (the “Discount Bonds”) and their respective initial offering prices to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers), at which prices a substantial amount of such Discount Bonds of the same maturity was sold, constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Discount Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond, and such original issue discount is added to the adjusted basis of each such Discount Bond for purposes of determining taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of each such Discount Bond. The 2018 Notes which constitute Discount Bonds and to which this paragraph applies are as follows:

[Under Section 171(a)(2) of the Code, no deduction is allowed for the amortizable bond premium (determined in accordance with Section 171(b) of the Code) on tax-exempt bonds. Under Section 1016(a)(5) of the Code, however, an adjustment must be made to the owner’s basis in such bond to the extent of any amortizable bond premium that is disallowable as a deduction under Section 171(a)(2) of the Code.]

State Taxation

In the opinion of Bond Counsel, interest on the 2018 Notes and any gain realized on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended.

Certain Federal Tax Consequences Relating to the 2018 Notes

Although interest on the 2018 Notes is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the 2018 Notes may otherwise affect the federal income tax liability of the recipient. The nature and extent of these other tax consequences will depend upon the recipient's particular tax status and other items of income or deduction. Prospective purchasers of the 2018 Notes should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the 2018 Notes.

The Internal Revenue Service has an ongoing program of auditing state and local government obligations, which may include selecting bond issues at random for audit, to determine whether interest paid to the holders thereof is properly excludable from gross income for federal income tax purposes. It cannot be predicted whether the 2018 Notes will be audited. If an audit is commenced, under current Internal Revenue Service procedures the holders of the 2018 Notes may not be permitted to participate in the audit process, and the value and liquidity of the 2018 Notes may be adversely affected.

Future Events

Tax legislation, administrative action taken by tax authorities, and court decisions, at the federal level, may adversely affect the exclusion from gross income of interest on the 2018 Notes for federal income tax purposes, and tax legislation, administrative action taken by tax authorities and court decisions at the State level may adversely affect the exclusion of interest on and any gain realized on the sale of the 2018 Notes under the existing New Jersey Gross Income Tax Act, and any such legislation, administrative action or court decisions could adversely affect the market price or marketability of the 2018 Notes. Bond Counsel is rendering its opinion under existing law as of the issue date and assume no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise.

EACH PURCHASER OF THE 2018 NOTES SHOULD CONSULT HIS OR HER OWN ADVISOR REGARDING ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED FEDERAL OR NEW JERSEY STATE TAX LEGISLATION, ADMINISTRATIVE ACTION TAKEN BY TAX AUTHORITIES, OR COURT DECISIONS.

ALL POTENTIAL PURCHASERS OF THE 2018 NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF PURCHASING THE 2018 NOTES.

CONTINUING DISCLOSURE

Upon the issuance and delivery of the 2018 Notes, the Authority will enter into an agreement (the "Continuing Disclosure Agreement") with the Trustee, as dissemination agent, for the benefit of the holders of the 2018 Notes, 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 Authority 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. The Trustee shall file such information 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.

In addition, the continuing disclosure agreements relating to the Authority's Outstanding Transportation System Bonds, 1999 Series A, 2001 Series C and 2004 Series A provide that the Authority will provide an Authority's annual report, consisting of the Authority's audited financial statements for each Authority Fiscal Year ending June 30 (the "Authority's Annual Report"). The Authority's Annual Report is required to be filed by the March 15 next following the end of each Fiscal Year. The continuing disclosure agreements for all issues subsequent to the Authority's Transportation System Bonds, 2005 Series A do not require, and the Continuing Disclosure Agreements for the Authority's Transportation Program Bonds do not require, that the Authority provide the Authority's Annual Report.

The Authority has become aware of certain facts that it does not consider to be material but that are disclosed below for the benefit of the Noteholders and Beneficial Owners of its Notes.

Some information that was made available in a timely manner on EMMA may not have been linked to all relevant CUSIP numbers. In addition, filings with respect to certain bond insurer ratings changes were either posted late or the filings were not posted at all. The Authority is not always made aware of or may not have received notices from the rating agencies or the bond insurers of changes in the bond insurers' ratings. Such bond insurer ratings changes may or may not have had an effect on the ratings of the applicable bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

_____, _____ (the "Verification Agent") will verify, from the information provided to it, the mathematical accuracy, as of the date of delivery of the 2018 Notes, of the computations contained in the provided schedules to determine that the amount to be deposited in the Escrow Fund pursuant to the Escrow Deposit Agreement, together with interest earnings on such amounts, will be sufficient to pay the Redemption Price of and interest on the Notes to be Refunded on the Redemption Date. The Verification Agent will express no opinion as to the assumptions provided to it.

UNDERWRITING

The 2018 Notes are being purchased by Morgan Stanley & Co. LLC, as senior managing underwriter of the underwriters listed on the cover page hereof (the “Underwriters”). The Underwriters have agreed, subject to certain conditions, to purchase all of the 2018 Notes at a purchase price of \$_____, which is equal to the aggregate principal amount of the 2018 Notes [plus original issue premium] [less original issue discount] of \$_____, less an Underwriters’ discount in the amount of \$_____ (the “Purchase Price”). The initial public offering prices of the 2018 Notes 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 2018 Notes to certain dealers (including dealers depositing 2018 Notes 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.

Morgan Stanley & Co. LLC, one of the Underwriters of the 2018 Notes, has provided the following three sentences for inclusion in this Official Statement. Morgan Stanley & Co. LLC entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC (the “Morgan Stanley Distribution Agreement”). As part of this arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the 2018 Notes.

The Authority has not been furnished with any documents relating to the Morgan Stanley Distribution Agreement and makes no representations of any kind with respect thereto. The Authority is not a party to the Morgan Stanley Distribution Agreement and has not entered into any agreement or arrangement with Morgan Stanley Smith Barney LLC with respect to the offering and sale of the 2018 Notes.

RATINGS

Fitch, Inc. (“Fitch”), Moody’s Investors Service, Inc. (“Moody’s”) and S&P Global Ratings, acting through Standard & Poor’s Financial Services LLC (“S&P”) have assigned municipal bond ratings of “___,” “___” and “___,” respectively, to the 2018 Notes.

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., 33 Whitehall Street, New York, New York, 10004, Moody’s Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007 and S&P Global Ratings, 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 2018 Notes.

MISCELLANEOUS

Copies of the Indenture 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 2018 Notes 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 Note 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 2018 Notes.

NEW JERSEY TRANSPORTATION
TRUST FUND AUTHORITY

By: _____
Gary Brune
Executive Director

Dated: _____, 2018

APPENDIX I

INFORMATION REGARDING THE BUDGET AND APPROPRIATION PROCESS IN THE STATE OF NEW JERSEY

INFORMATION REGARDING THE BUDGET AND APPROPRIATION PROCESS IN THE STATE OF NEW JERSEY

General

The New Jersey State Constitution (the “State Constitution”) provides for a bicameral State Legislature which meets in annual sessions. Members of the State Senate are elected to terms of four years, except for the election following a decennial census, in which case the election is for a term of two years. Members of the General Assembly are elected to terms of two years. Both the Governor and the Lieutenant Governor are elected to terms of four years each.

Accounting System

The Director of the Division of Budget and Accounting in the New Jersey Department of the Treasury (the “Budget Director”) prescribes and approves the accounting policies of the State of New Jersey (the “State”) and directs their implementation.

The State prepares its financial statements in accordance with current standards that are outlined in the Governmental Accounting Standards Board (“GASB”) Statement No. 34, Basic Financial Statements — and Management’s Discussion and Analysis — for State and Local Governments. The State’s Comprehensive Annual Financial Report (the “CAFR”) includes government-wide financial statements and fund financial statements. These statements present different views of the State’s financial information. The CAFR presents the financial position and operating results of the State under generally accepted accounting principles (“GAAP”) applicable to state and local governments as established by GASB. GASB is the standard setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in GASB’s Codification of Governmental Accounting and Financial Reporting Standards.

The significant accounting policies followed by the State are described in the “Notes to the Financial Statements” set forth in the CAFR.

Government-wide financial statements provide a broad view of the State’s operations conforming to private sector accounting standards and provide both short-term and long-term information regarding the State’s overall financial position through the fiscal year-end.

In addition to government-wide financial statements, the State prepares fund financial statements comprised of funds and component units with the State’s funds divided into three categories — governmental, proprietary, and fiduciary.

Governmental Funds

Governmental Funds finance most Direct State Services, which support the normal operations of State government. The governmental funds financial statements focus on current inflows and outflows of expendable resources and the unexpended balances at the end of a fiscal year that are available for future spending. Governmental fund information helps determine whether or not there was an addition or a reduction in financial resources that can be spent in the near future to finance State programs.

The State’s governmental funds are the General Fund, which receives revenues from taxes that are unrestricted by statute, most federal revenue and certain miscellaneous revenue items; the Property Tax Relief Fund, which receives revenues from the New Jersey Gross Income Tax and revenues derived from a tax rate of 0.5% imposed under the Sales and Use Tax both of which are constitutionally dedicated toward property tax relief and reform; the Special Revenue Funds, which are used to account for resources legally restricted to expenditure for specified purposes; and the Capital Projects Funds, which are used to account for financial resources to be used for the acquisition or construction of major State capital facilities. The Capital Projects

Funds include the State Transportation Fund which is used to account for financial resources for State transportation projects. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

Proprietary Funds

Proprietary Funds are used to account for State business-type activities. Since these funds charge fees to external users, they are known as enterprise funds.

Fiduciary Funds

Fiduciary Funds, which include the State's Pension Plans, are used to account for resources held by the State for the benefit of parties outside of State government. Unlike other government funds, fiduciary funds are reported using the accrual basis of accounting.

Component Units-Authorities

Component Units-Authorities account for operations where the intent of the State is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where periodic measurement of the results of operations is appropriate for capital maintenance, public policy, management control or accountability. Component Units-Colleges and Universities account for the operations of the eleven State colleges and universities including their foundations and associations.

Budget and Appropriation Process

The State operates on a fiscal year beginning July 1 and ending June 30. For example, "Fiscal Year 2017" refers to the State's fiscal year beginning July 1, 2016 and ending June 30, 2017. The State's budget process is comprehensive and inclusive, involving every department and agency in the Executive Branch, the State Legislature, the Judicial Branch, and through a series of public hearings, the citizens of the State.

Pursuant to the Appropriations Clause of the State Constitution (Article VIII, Section II, para. 2), no money may be drawn from the State Treasury except for appropriations made by law. In addition, all monies for the support of State government and all other State purposes, as far as can be ascertained or reasonably foreseen, must be provided for in one general appropriations law covering one and the same fiscal year. The State Legislature enacts the Appropriations Act on an annual basis which provides the basic framework for the operation of the General Fund. No general appropriations law or other law appropriating money for any State purpose shall be enacted if the amount of money appropriated therein, together with all other prior appropriations made for the same fiscal year, exceeds the total amount of revenue on hand and anticipated to be available for such fiscal year, as certified by the Governor.

Budget Requests and Preliminary Projections

The budget process begins in the summer prior to the following fiscal year with preliminary projections of revenues and expenditures, which are the basis for development of budget targets for each branch, department and agency. Individual departments and agencies are required to prepare a funding plan or strategy for operating within the established target in the following fiscal year, which funding plan or strategy includes an analysis of the costs, benefits and priorities of every program.

Budget Director Review

On or before October 1 in each year, each Department, Board, Commission, Office or other Agency of the State must file with the Budget Director a request for appropriation or permission to spend specifying all expenditures proposed to be made by such spending agency during the following fiscal year. The Budget Director then examines each request and determines the necessity or advisability of the appropriation request. On or before December 31 of each year or such other time as the Governor may request, after review and examination, the Budget Director submits the requests, together with his or her findings, comments and recommendations, to the Governor.

Governor's Budget Message

The Governor's budget message (the "Governor's Budget Message") is presented by the Governor during an appearance before a joint session of the State Legislature which, by law, is convened on a date on or before the fourth Tuesday in February in each year. The Governor's Budget Message must include the proposed complete financial program of the State government for the next ensuing fiscal year and must set forth in detail each source of anticipated revenue and the purposes of recommended expenditures for each spending agency (N.J.S.A. 52:27B-20).

Legislative Review

The financial program included in the Governor's Budget Message is then subject to a process of legislative committee review. As part of such review, testimony is given by a number of parties. The Office of Legislative Services, which is an agency of the State Legislature, generally provides its own estimates of anticipated revenues which may be higher or lower than those included in the Governor's Budget Message, and the State Treasurer generally provides an updated statement of anticipated revenues in May of each year, which may increase or decrease the amounts included in the Governor's Budget Message. In addition, various parties may release their own estimates of anticipated revenues and recommended expenditures to the media. After completion of the legislative committee review process, the budget, in the form of an appropriations bill, must be approved by the Senate and Assembly and must be submitted to the Governor for review. The Appropriations Act includes the General Fund, as well as certain Special Revenue Funds (Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief). In addition to anticipated revenues, the Appropriations Act also provides for the appropriation of non-budgeted revenue, including primarily federal funds and a portion of the Energy Tax Receipts, to the extent such revenue may be received and permits the corresponding increase of appropriation balances from which expenditures may be made.

Governor's Line-Item Veto Power

Upon such submission, the Governor may approve the bill, revise the estimate of anticipated revenues contained therein, delete or reduce appropriation items contained in the bill through the exercise of his or her line-item veto power, or veto the bill in its entirety. As with any gubernatorial veto, such action may be reversed by a two-thirds vote of each House of the State Legislature.

If a general appropriation law is not enacted prior to the July 1 deadline, under the Appropriations Clause, no money can be withdrawn from the State treasury. In addition, in such an event, no moneys, other than available amounts already held under bond financing documents will be available to make payments on obligations paid from State revenue subject to annual appropriation.

Fiscal Controls

The departments maintain legal control at the appropriation line item level and exercise budgetary control by individual appropriations and allocations within annual appropriations to various programs and major expenditure objects. Revisions to the Appropriations Act, reflecting program changes or interdepartmental transfers of an administrative nature, may be effected during the fiscal year with certain Executive and Legislative Branch approvals. Management may amend a department's budget with approval by the Budget Director; provided that under specific conditions, additional approval by the Office of Legislative Services is required. Only the State Legislature, however, may transfer appropriations between departments.

During the course of the fiscal year, the Governor may take steps to reduce State expenditures if it appears that revenues have fallen below those originally anticipated. Pursuant to various statutes, the Governor may order the Budget Director to set aside a reserve out of each appropriation, and if sufficient revenues are not available by the end of the fiscal year to fund such reserve, the amount reserved lapses back into the General Fund. In addition, the Governor is authorized to prohibit and enjoin the expenditure of monies in the case of extravagance, waste or mismanagement.

Furthermore, under the State Constitution, no supplemental appropriation may be enacted after adoption of the Appropriations Act except where there are sufficient revenues on hand or anticipated, as certified by the Governor, to meet such appropriation and all prior appropriations for such fiscal year.

APPENDIX II

COPY OF THE MASTER INDENTURE

APPENDIX III

COPY OF THE 2016 REIMBURSEMENT REVENUE FUNDING AGREEMENT
AND FORM OF FIRST AMENDMENT TO REIMBURSEMENT
REVENUE FUNDING AGREEMENT

APPENDIX IV

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX V

FORM OF OPINION OF BOND COUNSEL

APPENDIX VI

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix VI concerning The Depository Trust Company (“DTC”) and DTC’s book-entry only system has been provided by DTC. Accordingly, the Authority takes no responsibility for the accuracy or completeness of such information and neither the DTC Participants nor the Beneficial Owners should rely on such information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

DTC will act as Securities Depository for the 2018 Notes. The 2018 Notes 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. One fully registered certificate will be issued for each Series, maturity and, if applicable, interest rate within a maturity of the 2018 Notes in the aggregate principal amount of each such Series, maturity and, if applicable, interest rate within the 2018 Notes, and will be deposited with DTC.

DTC, the world’s largest securities 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. DTC 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.

Purchases of 2018 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2018 Notes on DTC’s records. The ownership interest of each actual purchaser of each 2018 Note (“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 transaction, 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 2018 Notes 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 2018 Notes, except in the event that use of the book-entry system for the 2018 Notes is discontinued.

To facilitate subsequent transfers, all 2018 Notes 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 2018 Notes 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 2018 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2018 Notes 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.

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 the 2018 Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2018 Notes, such as redemptions, tenders, defaults and proposed amendments to the 2018 Notes documents. For example, Beneficial Owners of the 2018 Notes may wish to ascertain that the nominee holding the 2018 Notes for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2018 Notes within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2018 Notes 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 2018 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the 2018 Notes 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 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 the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments 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.

DTC may discontinue providing its services as depository with respect to the 2018 Notes 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, 2018 Note certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2018 Note certificates will be printed and delivered to DTC.

NEITHER THE AUTHORITY, THE PAYING AGENT NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION, EITHER SINGULARLY OR JOINTLY, TO DTC PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE HOLDERS OF THE 2018 NOTES UNDER THE NOTE 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 2018 NOTES; (IV) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT/INTEREST OF A PARTIAL REDEMPTION OF THE 2018 NOTES; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE HOLDER OF THE 2018 NOTES; OR (VI) ANY OTHER MATTER.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF ALL OF THE 2018 NOTES, REFERENCES IN THIS APPENDIX VI TO THE OWNERS, HOLDERS, OR REGISTERED OWNERS OF THE 2018 NOTES SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2018 NOTES.

APPENDIX VII

2016 SERIES B NOTE PREPAYMENT EVENTS

Pursuant to the terms of the Loan Agreement, upon the occurrence of a 2016 Series B Note Prepayment Event, the 2016 Series B Notes may be subject to mandatory prepayment prior to maturity. As used in this Official Statement, the term “2016 Series B Note Prepayment Event” shall mean any of the following:

(i) The Authority fails to pay, or cause to be paid, when due, the principal of or interest on the 2016 Series B Notes.

(ii) The Authority shall (A) fail to pay any obligation (other than payments on the Term Loan) secured by a charge, lien or encumbrance on the Trust Estate with a priority of payment from Trust Estate that is on a parity with the Term Loan, the Note Payment Obligations, or other Financing Facility Payment Obligations (“Secured Debt”), beyond the period of grace, if any, provided in the instrument or agreement under which such Secured Debt was created, or (B) fail in the observance or performance of any agreement or condition relating to any Secured Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which failure or other event or condition is to cause, or to permit the holder or holders of such Secured Debt (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Secured Debt to become due prior to its stated maturity; or (ii) the Commissioner shall (A) fail to pay pursuant to the terms of the Reimbursement Revenue Funding Agreement (x) the principal of or interest on any Note Payment Obligations issued pursuant to the Indenture or (y) any Financing Facility Payment Obligations due and owing pursuant to any Financing Facility executed and delivered by the Authority in connection with any Note Payment Obligations issued pursuant to the Master Indenture, in each case, beyond the period of grace, if any, provided in the instrument or agreement under which such indebtedness was created, or (B) fail to observe or perform any agreement or condition relating to any such indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which failure or other event or condition is to cause, or to permit the holder or holders of such indebtedness (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such indebtedness to become due prior to its stated maturity;

(iii) A court or other governmental authority with jurisdiction to rule on the validity of the Loan Agreement, the Resolution, the Indenture, the Reimbursement Revenue Funding Agreement or any other Loan Document shall find, announce or rule in a final non-appealable judgment that (x) any material provision of the Loan Agreement, the Resolution, the Indenture, the Reimbursement Revenue Funding Agreement or any other Loan Document or (y) any provision of the Indenture or the Reimbursement Revenue Funding Agreement relating to the security for the Term Loan or the other Obligations under the Loan Agreement, the Authority’s ability or obligation to pay the Obligations under the Loan Agreement or perform its obligations hereunder or the Commissioner’s ability or obligation to pay or perform under the Loan Documents to which it is a party or the rights and remedies of the Bank, is not a valid and binding agreement of the Authority or the Commissioner, as applicable;

(iv) Any provision of the Indenture or the Reimbursement Revenue Funding Agreement relating to the security for the Term Loan, the Authority’s ability or obligation to pay the Term Loan or perform its obligations hereunder or the Commissioner’s ability or obligation to pay or perform under the Loan Documents to which it is a party, or the rights and remedies of the

Bank, or any Loan Document, or any material provision thereof shall cease to be in full force or effect, or the Authority or the Commissioner or any Person duly authorized to act by or on behalf of the Authority or the Commissioner shall deny or disaffirm in a written proceeding the Authority's obligations under the Indenture or any other Loan Document or the Commissioner's obligations under the Reimbursement Revenue Funding Agreement;

(v) A Debt Moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment, or a repudiation by the Authority, the State or the Commissioner of the payment, when due and payable of the principal of or interest on any obligation secured by a lien, charge or encumbrance upon the Trust Estate or any general obligation indebtedness of the State or any indebtedness of the State payable from an appropriation by the State Legislature; provided, however, that an Event of Non-Appropriation or the Unavailability of Federal Transportation Funds shall not constitute a debt moratorium, a debt restructuring, a debt adjustment or a comparable restriction or a repudiation for purposes of this sub-paragraph; or

(vi) any Reimbursement Revenue Funding Agreement Event shall have occurred.

Capitalized terms used but not defined in this Appendix VII shall have the meanings given to them in the Official Statement. In addition, the following terms shall have the meanings set forth below:

"Bank" shall mean Bank of America, N.A.

"Debt Moratorium" shall mean an authorized postponement or deferral of the maturity of, or the deadline for paying a debt or performing an obligation which exceeds six (6) months.

"Effective Date" means November 2, 2016, subject to the satisfaction or waiver by the Bank of the conditions precedent set forth in Article IV of the Loan Agreement.

"Governmental Authority" shall mean the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Loan Documents" shall mean the Loan Agreement, the 2016 Series B Notes, the Resolution, the Master Indenture, the First Supplemental Indenture, the Reimbursement Revenue Funding Agreement, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing permitted hereunder and thereunder.

"Obligations" shall mean all advances to, and debts, liabilities, covenants and duties of, the Authority arising under the Loan Agreement or under any other Loan Document, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising.

"Person" shall mean any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Reimbursement Revenue Funding Agreement Event" shall mean and include:

(a) The Commissioner shall fail to perform and comply, in all material respects, with each and every covenant and agreement required to be performed or observed by it in the Reimbursement Revenue Funding Agreement, and such failure to perform and comply shall have resulted in a Material Adverse Effect;

(b) The Commissioner shall fail to comply with and observe the obligations and requirements set forth in the Constitution of the State and in all statutes and regulations binding

upon it relating to the Reimbursement Revenue Funding Agreement, and such failure to perform and comply shall have resulted in a Material Adverse Effect;

(c) The Commissioner shall take, or fail to take, any action under the Reimbursement Revenue Funding Agreement which would materially adversely affect the rights, remedies or security of the Trustee under the Indenture or the Bank under the Loan Agreement; or

(d) The Commissioner shall amend or modify or permit to be amended or modified the Reimbursement Revenue Funding Agreement without the prior written consent of the Bank if any such amendment or modification would result in a Material Adverse Effect; provided, however, that nothing set forth in the immediately preceding sentence shall prohibit the Authority from making an amendment to the Reimbursement Revenue Funding Agreement in accordance with Section 10 thereof.

“Term Commitment” means the Bank’s obligation to make a Term Loan to the Authority in an aggregate principal amount of \$500,000,000 at any time, and subject to the other terms and provisions of the Loan Agreement.

“Term Loan” shall mean the one-time advance made by the Bank on the Effective Date in the amount of the Term Commitment pursuant to the Loan Agreement.

APPENDIX VIII
NOTES TO BE REFUNDED

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is made as of the ____ day of _____, 2018, by and between the New Jersey Transportation Trust Fund Authority (the "Authority"), a public body corporate and politic of the State of New Jersey (the "State") and U.S. Bank National Association, as Dissemination Agent (the "Dissemination Agent"). This Disclosure Agreement is entered into in connection with the issuance and sale by the Authority of its \$_____ Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A (the "2018 Series A Notes"). The 2018 Series A Notes are issued under and pursuant to a Federal Highway Reimbursement Revenue Refunding Note Resolution adopted by the Authority on May 23, 2018 and a Master Trust Indenture, dated as of October 26, 2016 (the "Master Trust Indenture"), by and between the Authority and the Dissemination Agent, as trustee (in such capacity, the "Trustee"), as amended and supplemented, including by the Second Supplemental Trust Indenture, dated as of _____, 2018, between the Authority and the Trustee (the "Second Supplemental Indenture;" and the Master Trust Indenture, as amended and supplemented, including by the Second Supplemental Indenture, are hereinafter referred to as the "Indenture").

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 2018 Series A Notes (collectively, the "2018 Series A Noteholders") 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 2018 Series A Notes.

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

"Annual Report" shall mean the Annual Report provided pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Continuing Disclosure Information" shall mean, collectively, (i) each Annual Report, (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.

"Dissemination Agent" shall mean the Trustee, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Authority and which has filed with the Trustee a written acceptance of such designation.

"Listed Event" or "Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board.

"Official Statement" means the Official Statement, dated _____, 2018, prepared in connection with the offering and sale of the 2018 Series A Notes.

“Opinion of Counsel” shall mean a written opinion of counsel expert in federal securities law acceptable to the Authority, which may be counsel or bond counsel to 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 2018 Series A Notes.

“SEC” means the Securities and Exchange Commission.

SECTION 3. Provision of the Annual Report.

a) The Authority shall, no later than March 15, 2019 and March 15 of each year during which any of the 2018 Series A Notes remain Outstanding, provide to the Dissemination Agent the Annual Report prepared for the fiscal year of the Authority ending the immediately preceding June 30 (or if the fiscal year of the Authority shall end on any date other than June 30, the Authority shall provide the 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 Annual Report and later than the date required herein for the filing of the 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 Annual Report. Each Annual Report provided to the Dissemination Agent by the Authority 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 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 required 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 Annual Report, and, in any event, not later than April 1 in each year (or if the fiscal year of the Authority 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 Annual Report received by it to the MSRB in accordance with the Rule.

c) If the Authority fails to submit the 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 Authority advising of such failure. Whether or not such notice is given or received, if the Authority thereafter fails to submit the Annual Report to the Dissemination Agent by the last Business Day of the month in which such 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 Annual Report to the MSRB, as set forth in subsections (a), (b) and (c) of this Section 3, the Authority shall have the option, but shall not be obligated, to submit the Annual Report directly to the MSRB not later than March 15 in each year (or if the fiscal year of the Authority 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 Authority elects to submit the Annual Report directly to the MSRB, the Authority shall, at the same time, submit the Annual Report to the Dissemination Agent together with evidence that such Annual Report has been forwarded by the Authority to the MSRB, upon which

evidence the Dissemination Agent may rely. In the event that the Authority elects not to submit the Annual Report directly to the MSRB, the Authority shall provide the 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 Authority has submitted the 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 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 Annual Report.

a) Annual Report means (i) financial and operating data substantially of the type set forth in the Official Statement in the tables captioned "STATE RECEIPTS OF FEDERAL TRANSPORTATION FUNDS," "PROJECTED APPORTIONMENTS AND TRANSFERS PURSUANT TO FIXING AMERICA'S SURFACE TRANSPORTATION ACT," "STATE MONTHLY RECEIPTS OF FEDERAL TRANSPORTATION FUNDS," "UNEXPENDED FEDERAL OBLIGATIONS BY FFY (ACTUAL PROJECTS)," and "NEW JERSEY SOFT MATCH CREDITS AND USAGE" under the heading "NEW JERSEY RECEIPTS OF FEDERAL TRANSPORTATION FUNDS;" and (ii) the State's "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, all such financial information included in clause (ii) being prepared using the accounting standards set forth in subsection (c) of this Section 4.

b) In connection with the submission of financial statements as required by this Section 4, the Authority may include in its transmission a statement to the effect that the 2018 Series A Notes are payable solely from the Trust Estate pledged under the Indenture as described in the Official Statement and not from any other revenues of the Authority.

c) 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 Significant 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 2018 Series A Notes or other material events affecting the tax status of the 2018 Series A Notes;

- (7) Modifications to rights of 2018 Series A Noteholders, if material;
- (8) 2018 Series A Note calls, if material, and tender offers¹;
- (9) Defeasance of the 2018 Series A Notes;
- (10) Release, substitution, or sale of property securing repayment of the 2018 Series A Notes, if material;
- (11) Rating changes relating to the 2018 Series A Notes²;
- (12) Bankruptcy, insolvency, receivership or similar events³ 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 2018 Series A Notes or the change of name of a trustee for the 2018 Series A Notes, if material.

(b) The Authority 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 Listed Event pursuant to subsection (c) of this Section 5. In determining the materiality of any of the Listed Events specified in subsection (a) of this Section 5, the Authority may, but shall not be required to, rely conclusively on an Opinion of Counsel.

(c) If the Dissemination Agent has been instructed in writing by the Authority 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 instructions, but in no event later than ten (10) Business Days after the occurrence of such 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 (c) simultaneously with the giving of

¹ Any scheduled redemption of 2018 Series A Notes pursuant to mandatory sinking fund redemption requirements (if any) does not constitute a Listed Event within the meaning of the Rule.

²The Listed Event identified in subsection (a)(11) of Section 5 does not include rating changes related to credit enhancement added by a 2018 Series A Noteholder. In addition, the Authority's obligation to provide notice of any rating change shall be deemed to be satisfied if the applicable rating agency files such change with EMMA pursuant to the "automated data feeds" that have been established by the MSRB.

³For the purposes of the Listed Event identified in subsection (a)(12) of Section 5, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

the notice of the underlying event to Holders of affected 2018 Series A Notes pursuant to the Indenture.

(d) Notwithstanding anything to the contrary in this Disclosure Agreement, in order to expedite the transmission of notice of the occurrence of Listed Events as set forth in this Section 5, the Authority 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.

(e) Each notice of a Listed Event relating to the 2018 Series A Notes shall include the CUSIP numbers of the 2018 Series A Notes to which such notice relates or, if the notice relates to all bond issues of the Authority including the 2018 Series A Notes, such notice need only include the base CUSIP number of the Authority.

SECTION 6. Termination of Reporting Obligation. The respective obligations of the Authority and the Dissemination Agent under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the 2018 Series A Notes.

SECTION 7. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Authority 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 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 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 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 Authority chooses to include any information in any 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 Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Default. (a) In the event of a failure of 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 2018 Series A Notes affected by such failure, shall), or any 2018 Series A Noteholder may, take such actions as may be necessary and appropriate to cause 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 2018 Series A Noteholder 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 Indenture. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of 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 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 2018 Series A Noteholders, and each 2018 Series A Noteholder 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. Compensation of the Dissemination Agent. The provisions of Section 1005 of the Master Trust Indenture relating to reimbursement of the Trustee shall apply to the performance by the Dissemination Agent of its obligations 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:

If to the Authority:

New Jersey Transportation Trust Fund Authority
PO Box 600
Trenton, New Jersey 08625
Attention: Executive Director

If to the Dissemination Agent:

U.S. Bank National Association
21 South Street, 3rd Floor
Morristown, New Jersey 07960
Attention: Paul D. O'Brien, Vice President

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 Authority or by or on behalf of 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 may be sued, pursuant to Section 9 hereof, only in a State court in the County of Mercer, in the State of New Jersey.

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.

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.

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.

**NEW JERSEY TRANSPORTATION TRUST
FUND AUTHORITY**

By: _____
Gary Brune
Executive Director

U.S. BANK NATIONAL ASSOCIATION, as
Dissemination Agent

By: _____
Paul D. O'Brien
Vice President

(SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT]

EXHIBIT A

NOTICE OF FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer: New Jersey Transportation Trust Fund Authority

Name of issue affected: \$_____ Federal Highway Reimbursement Revenue
Refunding Notes, 2018 Series A (the "2018 Series A Notes")

Date of Issuance of the
affected issue: _____, 2018

NOTICE IS HEREBY GIVEN that the Authority has not provided an Annual Report with respect to the above named 2018 Series A Notes issued as required by Section 3 of the Continuing Disclosure Agreement, dated as of _____, 2018, between the Authority and the Dissemination Agent.

[TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Authority anticipates that the specified Annual Report will be filed by _____.]

Dated:

[DISSEMINATION AGENT]

cc: Executive Director

ESCROW DEPOSIT AGREEMENT

by and between

THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

and

**U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent**

Dated _____, 2018

ESCROW DEPOSIT AGREEMENT

This **ESCROW DEPOSIT AGREEMENT** (the “Agreement”), dated _____, 2018, by and between the **NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY** (the “Authority”) and **U.S. BANK NATIONAL ASSOCIATION**, as Trustee under the hereinafter defined Indenture, and as escrow agent hereunder (the “Escrow Agent”).

W I T N E S S E T H:

WHEREAS, the Authority has previously issued its Federal Highway Reimbursement Revenue Notes, 2016 Series A, as more particularly described on **Schedule I** attached hereto (the “Refunded Obligations”); and

WHEREAS, the Refunded Obligations were issued under and pursuant to a Note Resolution duly adopted by the Authority on October 14, 2016 (the “Initial Resolution”) and a Master Trust Indenture, dated as of October 26, 2016 (the “Master Trust Indenture”), between the Authority and U.S. Bank National Association, as trustee (the “Trustee”), as supplemented by the First Supplemental Trust Indenture, dated as of October 26, 2016, between the Authority and the Trustee (the “First Supplemental Indenture”); and

WHEREAS, the Authority has determined to (i) issue \$_____ Federal Highway Reimbursement Revenue Refunding Notes, 2018 Series A (the “2018 Series A Notes”) under and pursuant to a Federal Highway Reimbursement Revenue Refunding Note Resolution duly adopted by the Authority on May 23, 2018 (the “Note Resolution”) as Additional Notes under the Master Trust Indenture, as supplemented, including by the Second Supplemental Trust Indenture dated as of _____, 2018, between the Authority and the Trustee (the “Second Supplemental Indenture”; the Master Trust Indenture, as supplemented, including by the First Supplemental Indenture and the Second Supplemental Indenture, is hereinafter referred to as the “Indenture”; capitalized terms used but not defined herein shall have the meanings given them in the Indenture) and (ii) utilize a portion of the proceeds of the 2018 Series A Notes to refund the Refunded Obligations; and

WHEREAS, pursuant to the Master Trust Indenture, the pledge and lien of any Notes issued thereunder, including the Refunded Obligations, may be discharged and satisfied by the deposit in trust with the Trustee under the Master Trust Indenture of moneys in an amount which shall be sufficient, or Defeasance Securities (as hereinafter defined) the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with such Trustee at the same time, shall be sufficient to pay the principal or Redemption Price of and interest due and to become due on said Notes; and

WHEREAS, the Escrow Agent is the duly appointed and acting Trustee under the Master Trust Indenture, authorized to accept deposit of the securities and moneys required to discharge and satisfy the pledge and lien of the Master Trust Indenture with respect to the Refunded Obligations; and

WHEREAS, pursuant to the Indenture, the Authority has authorized the deposit with the Escrow Agent of Defeasance Securities purchased with a portion of the proceeds of the 2018 Series A Notes and other moneys, if any, which comply with the requirements of Section 801 of the Master Trust Indenture; and

WHEREAS, in order to discharge the pledge and lien of the Master Trust Indenture with respect to the Refunded Obligations by the proper and timely deposit and application of the Defeasance Securities and moneys (including investment income and earnings derived therefrom) required for payment of the Refunded Obligations and to furnish irrevocable instructions therefor, it is necessary to enter into this Agreement and to enter into certain covenants for the benefit of the Holders of the Refunded Obligations.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

SECTION 1. There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated as the “Escrow Fund” (the “Escrow Fund”) to be held by the Escrow Agent as a trust fund for the benefit of the Holders of the Refunded Obligations. The Escrow Fund shall be held by the Escrow Agent separate and apart from all other funds of the Authority and the Escrow Agent. Simultaneously with the execution and delivery of this Agreement, the Authority has caused there to be deposited with the Escrow Agent, and the Escrow Agent hereby acknowledges receipt of, immediately available funds consisting of proceeds of the 2018 Series A Notes in the amount of \$_____ and the Escrow Agent has caused such immediately available funds to be deposited into the Escrow Fund.

SECTION 2. The Escrow Agent shall immediately apply \$_____ of the funds deposited into the Escrow Fund pursuant to Section 1 hereof to the purchase on the date hereof of the Defeasance Securities described on **Schedule A** attached hereto at a purchase price of \$_____, and shall deposit the Defeasance Securities so purchased into the Escrow Fund. The Escrow Agent shall hold \$_____ of the funds deposited into the Escrow Fund pursuant to Section 1 hereof as uninvested cash. The Escrow Agent shall use the amounts received from the maturing principal of and interest on the Defeasance Securities, together with any moneys in the Escrow Fund, to pay the principal or Redemption Price of, and interest due on, the Refunded Obligations on _____, 2018 (the “Redemption Date”) as set forth on **Schedule B** attached hereto. Based solely on the verification report of _____ (the “Verification Agent”), dated the date hereof, the Authority represents and warrants to the Escrow Agent that the amounts to be received from the maturing principal of and interest on the Defeasance Securities, together with the other moneys on deposit in the Escrow Fund, if any, will be sufficient to pay the principal or Redemption Price of and interest due on the Refunded Obligations on the Redemption Date as set forth on **Schedule B** attached hereto.

SECTION 3. The Escrow Agent shall, at the written direction of the Authority, invest and reinvest any moneys remaining from time to time in the Escrow Fund in Defeasance Securities maturing in amounts at least equal to their purchase price at or prior to the time such moneys are

needed for the payment of the Refunded Obligations. All interest income received as a result of any investment in Defeasance Securities pursuant to this Section 3 shall be applied to the payment of the principal or Redemption Price of and interest due on the Refunded Obligations on the Redemption Date for the Refunded Obligations as set forth on **Schedule B** attached hereto. Notwithstanding the foregoing, the Escrow Agent shall not invest or reinvest any moneys remaining from time to time in the Escrow Fund, or enter into a float, forward purchase, escrow reinvestment or similar agreement with respect to uninvested moneys in the Escrow Fund, unless the Authority shall obtain and the Escrow Agent shall receive the opinion of nationally recognized bond counsel, addressed to the Authority and the Escrow Agent, to the effect that entering into such agreement would not cause any of the 2018 Series A Notes to be an “arbitrage bond” within the meaning of Section 148 of the Internal Revenue Code of 1986, and the regulations thereunder in effect on the date of such investment and applicable to obligations issued on the issue date of the 2018 Series A Notes. In the absence of any such instructions from the Authority pursuant to this Section 3 or Section 4 hereof, any moneys from time to time on deposit in the Escrow Fund, including amounts to be received from the maturing principal of and interest on the Defeasance Securities, shall be held uninvested until needed to pay the principal or Redemption Price of and interest due on the Refunded Obligations on the Redemption Date for the Refunded Obligations as set forth on **Schedule B** attached hereto.

SECTION 4. At the written request of the Authority and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power at any time and from time to time to sell, transfer, request the redemption of or otherwise dispose of the Defeasance Securities and to substitute other Defeasance Securities which are available for purchase with the proceeds derived from such disposition on the date of such transaction. The foregoing may be effected only if the Authority shall obtain and the Escrow Agent shall receive, at least one (1) Business Day prior to the settlement date of such substitution, (a) an opinion of nationally recognized bond counsel, addressed to the Authority and the Escrow Agent, to the effect that such disposition and substitution would not cause any of the 2018 Series A Notes to be an “arbitrage bond” within the meaning of Section 148 of the Internal Revenue Code of 1986, and the regulations thereunder in effect on the date of such disposition and substitution and applicable to obligations issued on the issue date of the 2018 Series A Notes and (b) a certification (the “Substitution Verification Report”) from an independent certified public accountant addressed to the Authority and the Escrow Agent that, after such transaction, the principal of and interest on the Defeasance Securities in the Escrow Fund will, together with the other moneys on deposit in the Escrow Fund, be sufficient to pay, without any further investment, the principal or Redemption Price of and interest due on the Refunded Obligations on the Redemption Date for the Refunded Obligations as set forth on **Schedule B** attached hereto. On or prior to the settlement date of each substitution of Defeasance Securities permitted by this Section 4, the Authority shall provide the Escrow Agent with an appropriate revision to **Schedule A** attached hereto and made a part hereof to reflect any substitution of Defeasance Securities pursuant to this Section 4. Any funds remaining in the Escrow Fund following a substitution of Defeasance Securities pursuant to this Section 4 which, as shown by the Substitution Verification Report, are not needed to pay the principal or Redemption Price of and interest due on the Refunded Obligations on the Redemption Date for the Refunded Obligations as set forth on **Schedule B** attached hereto shall be paid to or upon the order of the Authority free and

clear of any lien or pledge created under this Agreement in accordance with written instructions provided by the Authority to the Escrow Agent.

SECTION 5. The trust created by this Agreement shall be irrevocable and the Holders of the Refunded Obligations shall have an express lien on, security interest in and an irrevocable pledge of all moneys and the principal of and interest due or to become due on all Defeasance Securities deposited in the Escrow Fund until used and applied in accordance with this Agreement. As a result of the trust created hereby and the deposit of moneys and Defeasance Securities as described in Sections 1 and 2 hereof and the instructions to the Escrow Agent set forth in Section 7 hereof, (a) the Refunded Obligations shall be deemed to have been paid within the meaning and with the effect expressed in the Master Trust Indenture, (b) the Refunded Obligations shall cease to be entitled to any lien, benefit or security under the Indenture, and (c) all covenants, agreements and obligations of the Authority to the Holders of the Refunded Obligations shall thereupon cease, terminate and become void and be discharged and satisfied.

SECTION 6. The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to the terms and provisions of this Agreement. The liability of the Escrow Agent for the payment of the principal or Redemption Price of and interest on the Refunded Obligations shall be limited to the amounts deposited in the Escrow Fund pursuant to this Agreement and the earnings thereon when invested in accordance with this Agreement. The Escrow Agent shall assert no lien whatsoever upon any of the moneys in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement, including reasonable fees and expenses of its attorneys. The Authority shall pay to the Escrow Agent, but only from the proceeds of the 2018 Series A Notes and from the sources available for such payments under and pursuant to the Indenture, in accordance with the Escrow Agent's fee proposal, reasonable compensation for all services performed by it hereunder and also all its reasonable expenses, charges, and other disbursements and the reasonable fees and expenses of its attorneys, agents and employees, incurred in and about the administration and execution of the trusts hereby created, and the performance of its powers and duties hereunder.

SECTION 7.

(a) On the date hereof, the Escrow Agent is hereby irrevocably directed to provide The Depository Trust Company, New York, New York ("DTC") with written notice, substantially in the form of **Exhibit A** attached hereto, of the redemption of the Refunded Obligations on the Redemption Date in accordance with the Blanket Issuer Letter of Representations (the "Letter of Representations"), between Authority and DTC, as registered owner of the Refunded Obligations. The Escrow Agent shall be entitled to add such provisions to such notice which it deems appropriate. Such notice shall also be given to any Rating Agency then rating the Refunded Obligations and any other party required to receive such notice pursuant to the Master Trust Indenture and the Continuing Disclosure Agreement (as hereinafter defined) entered into in connection with the Refunded Obligations.

(b) The Authority hereby irrevocably instructs the Escrow Agent and the Escrow Agent hereby agrees to redeem the Refunded Obligations on the Redemption Date at a

Redemption Price equal to 100% of the principal amount to be redeemed, plus accrued interest to the Redemption Date.

(c) Simultaneously with the giving of the notice described in paragraph (a) of this Section 7, the Escrow Agent, in its capacity as the dissemination agent (the “Dissemination Agent”) under the Continuing Disclosure Agreement relating to the Refunded Obligations, made as of November 1, 2016, by and between the Authority and the Dissemination Agent (the “Continuing Disclosure Agreement”), shall also provide notice in electronic format with the Municipal Securities Rulemaking Board of the redemption of the Refunded Obligations pursuant to Section 5 of the Continuing Disclosure Agreement. The Escrow Agent shall be entitled to add such provisions to the form of the notice attached hereto as **Exhibits A** which it deems appropriate, if any.

SECTION 8. This Agreement is made for the benefit of the Authority, the Escrow Agent and the Holders from time to time of the Refunded Obligations and it shall not be repealed, revoked, altered or amended without the written consent of all such Holders, the Escrow Agent and the Authority; provided, however, that the Authority and the Escrow Agent may, without the consent of, or notice to, such Holders, enter into such agreements supplemental to this Agreement as shall not materially adversely affect the rights of such Holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the Holders of the Refunded Obligations, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such Holders or the Escrow Agent;
- (c) to include under this Agreement additional funds, Defeasance Securities or properties; and
- (d) to effect any other changes which shall not materially adversely affect the rights of such Holders.

The Escrow Agent shall be entitled to receive and rely conclusively upon an opinion of nationally recognized bond counsel with respect to compliance with this Section 8, including the compliance of any instrument executed in accordance with this Agreement with the conditions and provisions of this Section 8.

SECTION 9. Except as provided in Section 6 hereof, this Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent and the Authority under the provisions hereof shall have been made. The balance of moneys, if any, remaining in the Escrow Fund established under this Agreement shall thereafter be paid to the Trustee under the Indenture for deposit to the 2018 Series A Debt Service Account within the Indirect GARVEE Debt Service Fund under the Indenture and applied to pay debt service on the 2018 Series A Notes, unless otherwise directed in writing by the Authority upon the advice of the State Attorney General and

Bond Counsel.

SECTION 10. The Escrow Fund created and established pursuant to this Agreement shall be and constitute a trust fund for the purposes provided in this Agreement and shall be kept separate and distinct from all other funds of the Authority and the Escrow Agent and used only for the purposes and in the manner provided in this Agreement.

SECTION 11. The Escrow Agent agrees to perform all the duties and obligations expressly imposed upon it by this Agreement, and, except for such duties and obligations, the Escrow Agent shall not have any implied duties.

SECTION 12. (a) The Escrow Agent may resign and be discharged of its duties and obligations created by this Agreement, and may be removed and discharged as Escrow Agent under this Agreement, upon the same terms and conditions as set forth in Article X of the Master Trust Indenture relating to the resignation or removal of the Trustee, which terms and conditions are incorporated herein by reference. If the Escrow Agent shall resign or be removed as Escrow Agent under this Agreement as aforesaid, then, upon appointment of a successor escrow agent for such purpose, in the same manner as provided in the Master Trust Indenture for the appointment of a successor Trustee, which provision in the Master Trust Indenture is incorporated herein by reference, the said successor escrow agent shall become the Escrow Agent hereunder and all title, rights, duties and obligations of the former Escrow Agent under this Agreement and with respect to the Defeasance Securities and other moneys deposited or to be deposited under this Agreement shall become those of the successor escrow agent, and upon acceptance by such successor escrow agent of the trusts created hereunder, all further title, rights, duties and obligations of the former Escrow Agent under this Agreement shall cease and be discharged, except for any rights or liabilities theretofore accrued by the Authority or the former Escrow Agent. No resignation or discharge of the Escrow Agent shall take effect until a successor shall have been appointed and shall have accepted its appointment as Escrow Agent hereunder, and until the Escrow Fund shall have been transferred to such successor.

(b) Any company into which the Escrow Agent 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 all or substantially all of the corporate trust business shall be sold or transferred, shall be the successor to the Escrow Agent without the execution or filing of any paper or the performance of any further act; provided, however, that 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 this Agreement.

(c) The provisions of Section 1005 of the Master Trust Indenture relating to the compensation of the Trustee are hereby incorporated in this Agreement as if set forth in full herein and are hereby made applicable to the Escrow Agent.

SECTION 13. If any one or more of the covenants or agreements provided in this Agreement on the part of the Authority or the Escrow Agent to be performed should be determined

by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 14. All the covenants, promises and agreements in this Agreement contained by or on behalf of the State, the Authority or by or on behalf of the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

(b) With respect to any suit, action or proceedings relating to this Agreement, the Authority and the Escrow Agent irrevocably submits, to the fullest extent permitted by law, to the exclusive jurisdiction of the State courts of the State of New Jersey located in the County of Mercer.

SECTION 16. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which, together, shall constitute and be but one and the same instrument.

SECTION 17. This Agreement constitutes the necessary action and irrevocable instructions by the Authority to the Escrow Agent as required by Section 801 of the Master Trust Indenture in order for the Refunded Obligations to be deemed to have been paid within the meaning and with the effect expressed in Section 801 of the Master Trust Indenture.

SECTION 18. Any notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be mailed by first-class mail, registered or certified, return receipt requested, or recognized overnight carrier, postage prepaid, or sent by e-mail, telex, telegram, telecopy or other similar form of rapid transmission confirmed by mailing (by first-class mail, registered or certified, return receipt requested, or recognized overnight carrier, postage prepaid) written confirmation at substantially the same time as such rapid transmission, or personally delivered to an officer of the receiving party. All such communications shall be mailed, sent or delivered to the addresses set forth below, or as to each party at such other addresses as shall be designated by such party in a written notice to the other party.

If to the Authority:

New Jersey Transportation Trust Fund Authority
1035 Parkway Avenue
Trenton, New Jersey 08625
Attn: Executive Director

If to the Escrow Agent:

U.S. Bank National Association
21 South Street, 3rd Floor
Morristown, New Jersey 07960
Attention: Paul D. O'Brien, Vice President

A copy of every notice or other communication given by either party to this Agreement shall also be given to the Office of Public Finance of the State of New Jersey at the following address:

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

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

**NEW JERSEY TRANSPORTATION
TRUST FUND AUTHORITY**

By: _____
Gary Brune
Executive Director

**U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent**

By: _____
Paul D. O'Brien
Vice President

[SIGNATURE PAGE TO ESCROW DEPOSIT AGREEMENT]

SCHEDULE I

REFUNDED OBLIGATIONS

New Jersey Transportation Trust Fund Authority
Federal Highway Reimbursement Revenue Notes, 2016 sub-Series A-2

SCHEDULE A

DESCRIPTION OF DEFEASANCE SECURITIES TO BE DEPOSITED IN ESCROW FUND

SCHEDULE B

PAYMENT SCHEDULE FOR REFUNDED OBLIGATIONS

EXHIBIT A

NOTICE OF REDEMPTION

New Jersey Transportation Trust Fund Authority Federal Highway Reimbursement Revenue Notes, 2016 sub-Series A-2

NOTICE IS HEREBY GIVEN pursuant to the terms of the Master Trust Indenture, dated as of October 26, 2016, as amended and supplemented (the “Indenture”), between the New Jersey Transportation Trust Fund Authority (the “Authority”) and U.S. Bank National Association, as trustee (the “Trustee”), that all of the above referenced obligations, as more particularly described on the attached schedule (the “Obligations”), have been called for redemption on _____, **2018** (the “Redemption Date”) at a redemption price of 100% of the principal amount thereof plus accrued interest to the Redemption Date. On the Redemption Date, the Obligations will become due and payable at the redemption price stated above, plus accrued interest to the Redemption Date, and, from and after the Redemption Date, interest on the Obligations shall cease to accrue and be payable.

On or after _____, 20__, payment of the redemption price of the Obligations will be made upon presentation and surrender thereof at the following office of U.S. Bank National Association, as Trustee:

U.S. Bank National Association

No representation is made as to the accuracy of the CUSIP Number either as contained in this Notice, including the Schedule hereto, or as printed on any Obligation. CUSIP numbers are included solely for the convenience of the Holders of the Obligations.

NOTICE

Under the provisions of the Tax Cuts and Jobs Act of 2017 (the “Act”), paying agents making payments of principal on bonds may be obligated to withhold a twenty-four percent (24%) tax from remittances to individuals who have failed to furnish the paying agent with a certified and valid taxpayer identification number on the fully completed Form W-9. Owners of the Obligations who wish to avoid the application of these provisions should submit a certified taxpayer identification number on IRS Form W-9 when presenting the Obligations for redemption and payment.

**NEW TRANSPORTATION TRUST FUND
AUTHORITY**

Dated: _____, 2018

By: **U.S. BANK NATIONAL ASSOCIATION,**
as Trustee

SCHEDULE TO NOTICE OF REDEMPTION
New Jersey Transportation Trust Fund Authority
Federal Highway Reimbursement Revenue Notes, 2016 sub-Series A-2

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

Not Exceeding \$1,800,000,000

Transportation System Bonds

**THIRTIETH SUPPLEMENTAL TRANSPORTATION
SYSTEM BOND RESOLUTION**

Adopted May 23, 2018

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

Adopted May 23, 2018

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 Thirtieth Supplemental Transportation System Bond Resolution (the "Thirtieth 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 Thirtieth Supplemental Transportation System Bond Resolution.

This Thirtieth 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.

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

(b) In addition, in this Thirtieth Supplemental Resolution, the following terms shall have the meanings set forth below:

"Amended and Restated State Contract" means the "Fourth 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 Thirtieth 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(s)” shall have the meaning given to such term in Section 2.4 of this Thirtieth 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, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Thirtieth Supplemental Bonds.

“Escrow Deposit Agreement” shall have the meaning given to such term in Section 2.8 of this Thirtieth Supplemental Resolution.

“Refunded Bonds” shall mean any or all of the Authority’s Outstanding Transportation System Bonds which are to be refunded with the proceeds of the Thirtieth Supplemental Bonds, as shall be determined in the Series Certificate for such Thirtieth Supplemental Bonds pursuant to Section 2.09(i) 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 Citigroup Global Markets Inc. in its capacity as the senior managing Underwriter for the Thirtieth Supplemental Bonds.

“Series Certificate” shall mean the Series Certificate or Certificates to be executed by an Authorized Authority Official pursuant to Section 2.09 of this Thirtieth Supplemental Resolution.

“Taxable Thirtieth Supplemental Bonds” shall mean any Thirtieth Supplemental Bonds the interest on which is includable in gross income for Federal income tax purposes pursuant to the Code.

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

“Thirtieth Supplemental Bonds” shall mean the not to exceed \$1,800,000,000 aggregate principal amount of Transportation System Bonds authorized pursuant to Article II of this Thirtieth Supplemental Resolution.

“Underwriters” shall mean, with respect to the Thirtieth Supplemental Bonds, the Senior Managing Underwriter and the other underwriters named in the Bond Purchase Contract

for the Thirtieth Supplemental Bonds pursuant to Section 2.4 of this Thirtieth Supplemental Resolution.

ARTICLE II AUTHORIZATION OF THIRTIETH 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 Thirtieth Supplemental Bonds, constituting Refunding Bonds, entitled to the benefit, protection and security of such provisions are hereby authorized to be issued in an aggregate principal amount not exceeding \$1,800,000,000. The Thirtieth 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. Each Series of the Thirtieth Supplemental Bonds shall be issued as Tax-Exempt Thirtieth Supplemental Bonds or Taxable Thirtieth 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 Thirtieth Supplemental Bonds be later than the final maturity date of the Refunded Bonds, (ii) the true interest cost of each Series of Tax-Exempt Thirtieth Supplemental Bonds exceed five and one-half percent (5.50%) per annum, (iii) the true interest cost of each Series of Taxable Thirtieth Supplemental Bonds exceed seven percent (7.00%) per annum, and (iv) the redemption price for any Thirtieth Supplemental Bond, if expressed as a percentage of the principal amount of such Thirtieth Supplemental Bond to be redeemed, exceed one hundred three percent (103%) of the principal amount of such Thirtieth Supplemental Bond; provided, however, that at the option of the Authority, any Taxable Thirtieth Supplemental Bond may be subject to optional redemption pursuant to a "make whole" provision which may exceed one hundred three percent (103%) of the principal amount of such Taxable Thirtieth Supplemental Bond, if and as provided in the Series Certificate. The Thirtieth 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 Thirtieth Supplemental Resolution, it is presently anticipated, but not required, that the Thirtieth Supplemental Bonds will be issued as one Series of Bonds and sold to the Underwriters pursuant to the Bond Purchase Contract.

2.2. Purpose.

The Thirtieth Supplemental Bonds shall be issued pursuant to Section 205 of the Resolution for the purposes of (i) paying or providing for the payment of principal or Redemption Price of and interest on the Refunded Bonds through their respective redemption or maturity dates, and (ii) paying the costs of issuance of such Thirtieth 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 Thirtieth 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 each Series of the Thirtieth Supplemental Bonds on a negotiated basis because the financing involves the sale of bonds having a complex financing structure (simultaneous sale of tax exempt and taxable bonds in a refunding transaction) and due to large issue size. 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 Citigroup Global Markets Inc. as Senior Managing Underwriter in connection with each Series of the Thirtieth Supplemental Bonds herein authorized and, upon recommendation of the Treasurer based upon Treasury's competitive RFP/RFQ process and in accordance with Executive Order 26, an Authorized Authority Official is hereby authorized to select additional co-senior managers and co-managers for each Series of the Thirtieth 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 Series of the Thirtieth 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(s). 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 Thirtieth 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 Thirtieth Supplemental Bonds authorized to be issued under this Thirtieth Supplemental Resolution.

(b) The purchase of one or more Series of the Thirtieth Supplemental Bonds from time to time by the Underwriters and the sale of one or more Series of the Thirtieth Supplemental Bonds from time to time by the Authority to the Underwriters shall be subject to the execution by the Authority and the Senior Managing Underwriter, as representative of the Underwriters, of a Bond Purchase Contract (collectively, the "Bond Purchase Contract(s)") for the applicable Series or all Series of the Thirtieth Supplemental Bonds in substantially the form presented to this meeting. The Bond Purchase Contract(s), in substantially the form presented to this meeting, are 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 Thirtieth 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(s), to be dated the date of sale of the applicable Series of the Thirtieth 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(s) relating to the sale of each Series of the Thirtieth Supplemental Bonds and to execute and deliver such Bond Purchase Contract(s) to the Senior Managing Underwriter, as representative of the Underwriters; provided that the provisions of the Bond Purchase Contract(s) 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 \$3.25 per \$1,000.00 of the applicable Series of the Thirtieth 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 Thirtieth Supplemental Bonds does not exceed the limitations set forth in paragraph (a) of Section 2.1 of this Thirtieth Supplemental Resolution.

2.5. Approval of the Preliminary Official Statement.

A Preliminary Official Statement (the "Preliminary Official Statement") relating to the sale of the Thirtieth 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 Thirtieth 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(s), that "deems final" the Preliminary Official Statement relating to the Thirtieth 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 Thirtieth 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 Thirtieth Supplemental Bonds.

2.7. Approval of Continuing Disclosure Agreement.

A Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") relating to the sale of the Thirtieth 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 Thirtieth Supplemental Bonds. The Authorized Authority Officials are hereby authorized and directed, with the advice of Bond Counsel and the State Attorney General, to enter into and execute a Continuing Disclosure Agreement with the Treasurer and the Trustee, as dissemination agent, relating to the Thirtieth 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. Approval of Escrow Deposit Agreement.

An Escrow Deposit Agreement (the "Escrow Deposit Agreement") to be entered into by the Authority in connection with the Thirtieth Supplemental Bonds to provide for the refunding and defeasance of the Refunded Bonds to be refunded from the proceeds of the Thirtieth 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 Escrow Deposit Agreement as may be necessary or appropriate with respect to the Thirtieth Supplemental Bonds. The Authorized Authority Officials are hereby authorized and directed, with the advice of Bond Counsel and the State Attorney General, to enter into and execute an Escrow Deposit Agreement with U.S. Bank National Association, Morristown, New Jersey, the Trustee, as escrow agent (the "Escrow Agent"), relating to the Thirtieth Supplemental Bonds.

2.9. Additional Proceedings.

As additional proceedings of the Authority in connection with the sale, issuance and delivery of each Series of the Thirtieth 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 Thirtieth 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 Thirtieth 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 Thirtieth Supplemental Resolution, the appropriate Series designations, respective principal amounts and/or sinking fund installments, 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 Thirtieth 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 Thirtieth Supplemental Resolution and the issuance of the Thirtieth Supplemental Bonds.

(c) To acknowledge receipt of the approval of the Joint Budget Oversight Committee as required by Section 9(k) of the Act relating to the issuance of the Thirtieth Supplemental Bonds.

(d) Prior to the issuance of the first Series of the Thirtieth Supplemental Bonds, to make such revisions to this Thirtieth Supplemental Resolution as may be requested by the Joint Budget Oversight Committee as a condition to its approval of the issuance of the Thirtieth Supplemental Bonds, provided such revisions, if any, shall be set forth in the Series Certificate for the Thirtieth Supplemental Bonds.

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

(f) To file, with the Trustee, a copy of this Thirtieth 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.

(g) With respect to the Thirtieth Supplemental Bonds, to execute a final Official Statement of the Authority, dated the date of sale of the Thirtieth Supplemental Bonds, substantially in the form of the Preliminary Official Statement for the Thirtieth 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 Thirtieth Supplemental Bonds.

(h) To determine the application of the proceeds of each Series of the Thirtieth Supplemental Bonds in accordance with the provisions of Section 2.2 hereof.

(i) To make the determination of the Series, maturities and/or sinking fund installments within a Series and the principal amounts within each maturity of the Refunded Bonds that are to be refunded with the proceeds of each Series of the Thirtieth Supplemental Bonds and to give notice to the Trustee, pursuant to the Resolution, directing the optional redemption of any such Refunded Bonds to be redeemed, and to determine the amounts to be credited toward each sinking fund installment to become due (if other than pro rata) in the case of any partial refunding of Refunded Bonds of any Series and maturity for which sinking fund redemption provisions shall have been established; provided, however, that no Series of the Thirtieth Supplemental Bonds shall be issued unless an Authorized Authority Official shall first determine that the present value of the aggregate of the principal of and interest on such Series of

the Thirtieth Supplemental Bonds is less than the present value of the aggregate of the principal of and interest on the Refunded Bonds which are refunded with the proceeds of such Series of Thirtieth Supplemental Bonds, except that, for purposes of this limitation, present value shall be computed using a discount rate equal to the yield of such Series of the Thirtieth Supplemental Bonds, and yield shall be computed using an actuarial method based upon a 360-day year with semiannual compounding and upon the prices paid the Authority by the initial purchasers of such Series of the Thirtieth Supplemental Bonds; and provided further, however, that if the Thirtieth Supplemental Bonds are issued in more than one Series, a Series of such Thirtieth Supplemental Bonds may not be issued unless an Authorized Authority Official shall first determine that the present value of the aggregate of the principal of and interest on such Series of the Thirtieth Supplemental Bonds, when combined with the present value of the aggregate of the principal of and interest on all other Series of the Thirtieth Supplemental Bonds sold simultaneously with such Series of the Thirtieth Supplemental Bonds, is less than the present value of the aggregate of the principal of and interest on all of the Refunded Bonds which are refunded with the proceeds of all such Series of Thirtieth Supplemental Bonds, with the present value of the aggregate of the principal of and interest on all Series of the Thirtieth Supplemental Bonds and the present value of the aggregate of the principal of and interest on all of the Refunded Bonds being computed as provided herein.

(j) To purchase one or more policies of municipal bond insurance with respect to any or all of the maturities of each Series of the Thirtieth 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 Thirtieth 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 Thirtieth 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 Thirtieth Supplemental Bonds.

(k) To purchase, or cause the Escrow Agent to purchase, United States Treasury Securities - State and Local Government Series with a portion of the proceeds of each Series of the Thirtieth Supplemental Bonds in connection with the refunding of any Refunded Bonds, and, in the event that such Authorized Authority Official determines that it is necessary or advantageous to the Authority to purchase other Federal Securities in which a portion of the proceeds of each Series of the Thirtieth Supplemental Bonds may be invested in connection with the refunding of any Refunded Bonds, to select and appoint a firm, through a competitive RFP process, to serve as bidding agent to solicit bids to purchase such other Federal Securities, and to take all other actions as may be necessary or advisable to effectuate the redemption of all or a portion of the Refunded Bonds in accordance with the provisions of the Resolution.

(l) To determine the application of the balance of moneys, if any, remaining in the Escrow Fund (as defined in the Escrow Deposit Agreement), subject to the provisions of the Escrow Deposit Agreement.

(m) To prepare, execute and submit an application for one or more ratings by the Rating Agencies for the Thirtieth Supplemental Bonds, and to include in the Series Certificate for the Thirtieth 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 such Series of the Thirtieth Supplemental Bonds.

(n) In light of changing market conditions and in order to issue the Thirtieth Supplemental Bonds on the terms most favorable to the Authority, in addition to all other matters authorized in this Thirtieth 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 Thirtieth 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 Thirtieth 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 Thirtieth Supplemental Bonds are hereby ratified.

(o) 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 Thirtieth Supplemental Bonds and the refunding and defeasance of the Refunded Bonds (including the designation of a particular Paying Agent for the Refunded Bonds as escrow agent) and which are not inconsistent with the provisions of this Thirtieth Supplemental Resolution, the Resolution or the Act.

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

2.10. Denomination, Numbers and Letters.

Each Series of the Thirtieth 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 Thirtieth 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 Thirtieth Supplemental Bonds and the Trustee's Certificate of Authentication thereon shall be substantially in the form set forth in Section 2.14 of this Thirtieth Supplemental Resolution.

2.11. Redemption.

Each Series of the Thirtieth Supplemental Bonds may be subject to redemption prior to maturity as provided in the applicable Series Certificate.

2.12. Book-Entry Only System.

1. Except as provided in subparagraph (3) of this Section 2.12, the registered Holder of all of the Thirtieth Supplemental Bonds shall be, and the Thirtieth Supplemental Bonds shall be registered in the name of, Cede & Co., as nominee of DTC. With respect to the Thirtieth Supplemental Bonds for which Cede & Co. shall be the registered Holder, payment of interest on such Thirtieth 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 Thirtieth 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 Thirtieth 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 Thirtieth 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 Thirtieth 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 Thirtieth 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 Thirtieth 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 Thirtieth 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 Thirtieth Supplemental Bond. The Authority and the Trustee may treat DTC as, and deem DTC to be, the absolute registered Holder of each Thirtieth Supplemental Bond for the purpose of (i) payment of the principal of, redemption premium, if any, and interest on each such Thirtieth Supplemental Bond, (ii) giving notices with respect to the Thirtieth Supplemental Bond, (iii) registering transfers with respect to a Thirtieth Supplemental Bond and (iv) for all other purposes whatsoever. The Trustee shall pay the principal of, redemption premium, if any, and interest on each Thirtieth 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 Thirtieth Supplemental Bond evidencing the obligation of the Authority to make payments of principal and interest thereon pursuant to this Thirtieth 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 Thirtieth 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 Thirtieth 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 Thirtieth Supplemental Bonds, in which event certificates for such Thirtieth 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 Thirtieth 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 Thirtieth Supplemental Bonds of such Series to the effect, that (A) DTC is unable to discharge its responsibilities with respect to such Thirtieth Supplemental Bonds; or (B) a continuation of the requirement that all of the Outstanding Thirtieth 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 Thirtieth Supplemental Bonds of such Series.

(c) Upon the termination of the services of DTC with respect to the Thirtieth Supplemental Bonds of a Series pursuant to subsection 2.12(3)(b)(ii)(A) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Thirtieth Supplemental Bonds of such Series pursuant to subsection 2.12(3)(a) or 2.12(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 Thirtieth 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 Thirtieth Supplemental Bonds transferring or exchanging such Thirtieth Supplemental Bonds shall designate, in accordance with the provisions of the Resolution. Upon the determination by any party authorized herein that the Thirtieth 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 Thirtieth Supplemental Bonds from such book-entry only form to a fully registered form.

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

5. In connection with any notice or other communication to be provided to Holders of the Thirtieth 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.

2.13. Application of Proceeds of the Thirtieth Supplemental Bonds.

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

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 2.09(j) of this Thirtieth 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;

There shall be deposited in the Transportation Improvement Fund established under the Resolution in a special account hereby established therein with respect to each Series of the Thirtieth Supplemental Bonds, to be known as the "2018 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 the costs of issuance of the applicable Series of the Thirtieth Supplemental Bonds, as specified in the applicable Series Certificate; and

There shall be deposited in the Escrow Fund created and established under the Escrow Deposit Agreement a portion of the proceeds of each Series of the Thirtieth Supplemental Bonds in the amount specified in the applicable Series Certificate.

2.14. Form of the Thirtieth Supplemental Bonds and Trustee's Certificate of Authentication.

Subject to the provisions of the Resolution, the form of each Series of the Thirtieth 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,
2018 SERIES __

THE PRINCIPAL OR REDEMPTION PRICE OF AND INTEREST ON THE 2018 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 2018 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 2018 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 Date</u>	<u>CUSIP No.</u>
%				

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 2018 Series __ Bond at the principal corporate trust office of U.S. Bank National Association, Morristown, 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 _____ 15, 2018, 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 2018 Series __ Bond is one of a duly authorized series of bonds of the Authority designated "Transportation System Bonds, 2018 Series __" (herein called the 2018 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 a Thirtieth Supplemental Transportation System Bond Resolution of the Authority authorizing the 2018 Series __ Bonds adopted on May 23, 2018 and a Series Certificate duly executed by an Authorized Authority Official as of _____, 2018 (collectively, the "Resolution").

As provided in the Resolution, the 2018 Series __ Bonds and all other bonds issued under the Resolution on a parity with the 2018 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 2018 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 2018 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 2018 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 2018 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 2018 Series __ Bonds are subject to redemption prior to maturity, upon notice as hereinafter provided:

[INSERT REDEMPTION PROVISIONS HERE]

The principal amount of the 2018 Series __ Bonds otherwise required to be redeemed may be reduced by the principal amount of such 2018 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 2018 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 2018 Series __ Bonds or portions of 2018 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 2018 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 2018 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 2018 Series __ Bonds or portions thereof so called for redemption shall cease to accrue and be payable. Failure of the registered owner of any 2018 Series __ Bonds which are to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of 2018 Series __ Bonds.

THE PRINCIPAL OR REDEMPTION PRICE OF AND INTEREST ON THE 2018 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 2018 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 2018 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 2018 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 2018 Series __ Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this 2018 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 2018 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 2018 SERIES __ BONDS]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This 2018 Series __ Bond is one of the 2018 Series __ Bonds delivered pursuant to the within mentioned Resolution.

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

By: _____
Authorized Officer

Date of Authentication: _____, _____

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.

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 Thirtieth 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 Tax-Exempt Thirtieth 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 Thirtieth Supplemental Resolution shall take effect upon its adoption in accordance with the Act, but this Thirtieth 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 Thirtieth 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.

McCarter & English, LLP

Draft #4

Dated: May 11, 2018

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

\$____, ____,000
Transportation System Bonds, 2018 Series _

BOND PURCHASE CONTRACT

Dated: _____, 2018

_____, 2018

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 aggregate principal amount of Transportation System Bonds, 2018 Series _ (the "2018 Series Bonds"). This offer is made subject to acceptance prior to 11:59 p.m. prevailing Eastern 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 2018 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 2018 Series Bonds at an aggregate purchase price (the "2018 Series Purchase Price") of \$_____, which is equal to the aggregate principal amount of 2018 Series Bonds, plus net original issue premium in the amount of \$_____, and less an Underwriters' discount in the amount of \$_____. The 2018 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 2018 Series Bonds shall be subject to redemption prior to maturity as set forth in Schedule II.

The 2018 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 by the Authority on June 15, 1995, as amended and supplemented (the "General Bond Resolution"), including as supplemented by the Thirtieth Supplemental Transportation System Bond Resolution adopted by the Authority on May __, 2018 (the "Thirtieth Supplemental Resolution"), and a Series Certificate of the Authority, dated the date hereof (the "Series Certificate"). The General Bond Resolution, as amended and supplemented by the Thirtieth 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).

U.S. Bank National Association has been appointed trustee (the "Trustee") for obligations to be issued under the Resolution.

The 2018 Series Bonds are being issued for the purposes of (i) paying or providing for the refunding and defeasance of the Refunded Bonds and (ii) paying costs of issuance of the 2018 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 "Fourth 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 _____, 2018 (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 2018 SERIES BONDS. THE 2018 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 2018 SERIES BONDS. THE 2018 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 2018 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 2018 Series Bonds and to offer and sell the 2018 Series Bonds to certain dealers (including dealers depositing the 2018 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 2018 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 2018 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 2018 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 2018 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 _____, 2018 (the "AAU"), for the other Underwriters, that each Underwriter 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 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 \$_____,000, which represents one percent (1.00%) of the par amount of the 2018 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 2018 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 2018 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 2018 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 2018 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. Notwithstanding anything to the contrary contained herein, the respective obligations of the Corporation and the Underwriters for the payment of expenses set forth in Section 10 hereof shall survive any such termination.

3. **Establishment of Issue Price.** The Manager, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the 2018 Series Bonds and shall execute and deliver to the Authority at the Closing an "issue price" or similar certificate in substantially the form attached hereto as Exhibit F, together with the supporting pricing wires or equivalent communications, with such modifications to such certificate as may be deemed appropriate or necessary, in the reasonable judgment of the Manager, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the 2018 Series Bonds.

Except for the maturity or maturities indicated on Schedule III attached hereto, the Authority will treat the first price at which 10% of each maturity of the 2018 Series Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test).

The Manager confirms that the Underwriters have offered the 2018 Series Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth on Schedule III attached hereto. Schedule III also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the 2018 Series Bonds for which the 10% test has not been satisfied and for which the Authority and the Manager, on behalf of the Underwriters, agree that (i) the Manager will retain all unsold 2018 Series Bonds of maturities for which the 10% test has not been satisfied and not allocate any such 2018 Series Bonds to any other Underwriters and (ii) the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the 2018 Series Bonds, the Manager will neither offer nor sell unsold 2018 Series Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of (i) the close of the fifth (5th) business day after the sale date; or (ii)

the date on which the Underwriters have sold at least 10% of that maturity of the 2018 Series Bonds to the public at a price that is no higher than the initial offering price to the public. The Manager shall promptly advise the Authority when the Underwriters have sold 10% of that maturity of the 2018 Series Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale.

The Authority acknowledges that, in making the representations set forth in this Section 3, the Manager will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in the AAU and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2018 Series Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in the selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the 2018 Series Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the 2018 Series Bonds.

The Manager confirms that:

(i) the AAU, any selling group agreement and each retail distribution agreement (to which the Manager is a party) relating to the initial sale of the 2018 Series Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold 2018 Series Bonds of each maturity allotted to it until it is notified by the Manager that either the 10% test has been satisfied as to the 2018 Series Bonds of that maturity or all 2018 Series Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Manager and as set forth in the related pricing wires, and

(ii) the AAU and any selling group agreement relating to the initial sale of the 2018 Series Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the 2018 Series Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold 2018 Series Bonds of each maturity allotted to it until it is notified by the Manager or the Underwriter that either the 10% test has been satisfied as to the 2018 Series Bonds of that maturity or all 2018 Series Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Manager or the Underwriter and as set forth in the related pricing wires.

The Underwriters acknowledge that sales of any 2018 Series Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this Section 3. Additionally, for purposes of this Section 3:

(i) “public” means any person other than an Underwriter or a related party to an Underwriter,

(ii) “Underwriter” means (A) any entity listed on Schedule I to this Purchase Contract, and (B) any person that agrees pursuant to a written contract directly or indirectly with any entity described in clause (A) to participate in the initial sale of the 2018 Series Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2018 Series Bonds to the public),

(iii) a purchaser of any of the 2018 Series Bonds is a “related party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) “sale date” means the date of execution of this Purchase Contract by all parties.

4. **Official Statement.** The Authority has previously authorized the distribution of the Preliminary Official Statement, dated _____, 2018, relating to the 2018 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 2018 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). The Official Statement shall be substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Authority and the Underwriters and as are permitted by the Rule. 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 2018 Series Bonds. Within one (1) 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 2018 Series Bonds from the Underwriters advising them 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.

5. 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 State Treasurer, the Authority and the Trustee, as Dissemination Agent, relating to the 2018 Series Bonds; to execute and deliver the Escrow Deposit Agreement dated the date of Closing (the “Escrow Deposit Agreement”) to be entered into by and between the Authority and the Trustee as Escrow Agent, in connection with the refunding and defeasance of the Refunded 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 2018 Series Bonds, the Official Statement, the Escrow Deposit Agreement 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, the Escrow Deposit Agreement 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, the Escrow Deposit Agreement and this Purchase Contract; and has duly authorized and approved the sale of the 2018 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 Escrow Deposit Agreement, the 2018 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 Escrow Deposit Agreement, the 2018 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 2018 Series Bonds, the State Contract, the Continuing Disclosure Agreement, the Escrow Deposit 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 9 hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to Section 9 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 2018 Series Bonds (as determined in accordance with Section 9 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 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 2018 Series Bonds, or in any way contesting or affecting the validity or enforceability of the Resolution, the State Contract, the Continuing Disclosure Agreement, the Escrow Deposit 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, the Escrow Deposit 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 2018 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 State 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, the Escrow Deposit 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) (a) 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, (b) the Manager, on behalf of itself and the other Underwriters, is in compliance with, and, based upon the representations received by the Manager from the other Underwriters under the AAU, each Underwriter is in compliance with the provisions of Rules G-37 and G-38 of the MSRB, (c) the Manager, on behalf of itself and the other Underwriters, is in compliance with, and, based upon the representations received by the Manager from the other Underwriters under the AAU, each Underwriter is in compliance with the provisions of Rule G-17 of the MSRB in connection with the transactions contemplated by this Purchase Contract and the Official Statement, (d) the Manager, on behalf of itself and the other Underwriters, has no knowledge of any non-compliance by it as of the date hereof with its obligations under the Rule G-17 of the MSRB, which non-compliance could materially adversely impact the performance by the Manager of its underwriting services, and, based upon the representations received by the Manager from the other Underwriters under the AAU, no Underwriter has any knowledge of non-compliance by it as of the date hereof with its obligations under Rule G-17 of the MSRB, which non-compliance could materially adversely impact the performance by such Underwriter of its underwriting services;

(vi) The Manager will deliver or cause to be delivered at the Closing an issue price certificate with respect to the 2018 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;

(vii) 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;

(viii) 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 2018 Series Bonds; and

(ix) 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 has complied with the requirements of N.J.S.A. 52:32-58 and has filed a certification with the Authority that it is not identified on the list of persons engaging in investment activities in Iran.

6. **Cooperation.** The Authority agrees to reasonably cooperate with the Manager and counsel to the Underwriters in any endeavor to qualify the 2018 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 2018 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 2018 Series Bonds under this Purchase Contract.

7. **Closing.** At 10:00 a.m. prevailing Eastern Time, on _____, 2018, 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 2018 Series Bonds to the Trustee, as custodian for The Depository Trust Company ("DTC"), for the account of the Underwriters. The Underwriters will accept delivery of the 2018 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 \$____,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 10(d) hereof. It is anticipated that CUSIP identification numbers will be printed on the 2018 Series Bonds, but neither the failure to print such numbers on any 2018 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 2018 Series Bonds in accordance with the terms of this Purchase Contract. The 2018 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 2018 Series Bond, registered in the name of and to be held by or on behalf of Cede & Co., as nominee of DTC. The 2018 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 2018 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.

8. **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 2018 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 2018 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 2018 Series Bonds in the hands of the holders thereof, and which in the Manager's reasonable opinion, materially adversely affects the marketability of the 2018 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 2018 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 2018 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 2018 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, in light of the circumstances under which they were made, 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 2018 Series Bonds or (y) the ability of the Underwriters to enforce confirmations of or contracts for the sale of the 2018 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 2018 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 2018 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 (the "Governor") and the State Treasurer approving the adoption of the Thirtieth Supplemental Resolution by the Authority at a meeting held on May __, 2018;

(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 May __, 2018, as they relate to various actions taken in connection with the issuance of the 2018 Series Bonds, were duly delivered to the Governor in accordance with the Act and, that the Governor has not vetoed the minutes, and that the 15-day period in which the Governor might veto the minutes pursuant to the Act has expired;

(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 2018 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, the Escrow Deposit Agreement and the Authority's Tax Certificate relating to the 2018 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) the opinions of Co-Counsel to the Underwriters, in substantially the forms 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 2018 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 State 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;

(xvi) the escrow verification report of _____ (the "Verification Agent"), in form and substance reasonably satisfactory to the Authority, Bond Counsel and the Manager, relating to the sufficiency of the moneys and securities deposited into the Escrow Fund created under the Escrow Deposit Agreement to pay the Refunded Bonds;

(xvii) 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;

(xviii) an executed copy of the IRS Form 8038-G relating to the 2018 Series Bonds;

(xix) an executed Certification of Underwriter as to Disclosure in substantially the form attached hereto as Exhibit G;

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

(xxi) 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 10 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.

9. **Amendments and Supplements to the Official Statement.** The "end of the underwriting period" for the 2018 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 2018 Series Bonds (as determined in accordance with this Section 9), 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 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 2018 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 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 (1) 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.

10. **Expenses.** (a) If the 2018 Series Bonds are sold to the Underwriters hereunder, there shall be paid from the proceeds of the 2018 Series Bonds, all expenses incidental to the issuance of the 2018 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 4 hereof; (ii) the cost of the preparation and printing of the definitive 2018 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 2018 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 2018 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 State 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 State Treasurer with all reports or other documents to which the Authority and the State 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 State 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.

11. **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:

Citigroup Global Markets Inc.
388 Greenwich Street, 8th Floor
New York, New York 10013
Attention: Timothy Egan, Managing Director

12. **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.

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

14. **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 2018 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 2018 Series Bonds.

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

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

**CITIGROUP GLOBAL MARKETS
INC., on behalf of the Underwriters,
including itself**

By: _____

Name:

Title:

ACCEPTED at [_____] p.m. E.S.T. this ____ day of _____, 2018:

**NEW JERSEY TRANSPORTATION TRUST
FUND AUTHORITY**

By: _____

GARY BRUNE

Executive Director

SCHEDULE I
LIST OF UNDERWRITERS

Citigroup Global Markets Inc.

SCHEDULE II

AMOUNTS, MATURITIES, OTHER TERMS AND REDEMPTION PROVISIONS OF THE 2018 SERIES BONDS

\$ __, __, 000
Transportation System Bonds, 2018 Series _

\$ __, __, 000 Serial Bonds

Maturity Date (June 15)	Principal Amount	Interest Rate	Yield	Price
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\$ _____ % Term Bond due June 15, 20__, Yield _____ %, Price _____

\$ _____ % Term Bond due June 15, 20__, Yield _____ %, Price _____

\$ _____ % Term Bond due June 15, 20__, Yield _____ %, Price _____

Redemption Provisions

Optional Redemption. The 2018 Series Bonds maturing on or after June 15, 20__ are subject to optional redemption prior to maturity at the option of the Authority, at any time on or after June 15, 20__, either in whole or in part, from maturities, and, where applicable, interest rates within maturities, selected by the Authority at a Redemption Price equal to 100% of the principal amount of the 2018 Series Bonds being redeemed, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption. The 2018 Series Bonds maturing on June 15, 20__, 20__ and 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>

Term Bond Due
June 15, 20__

Redemption Date (June 15)	Principal Amount
------------------------------	---------------------

* Final Maturity.

The 2018 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 2018 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 2018 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 2018 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 2018 Series Bonds and if less than all of the 2018 Series Bonds of a maturity are called for prior redemption, the particular 2018 Series Bonds or portions thereof to be redeemed shall be selected on a pro rata basis in accordance with DTC procedures.

If the 2018 Series Bonds are not registered in book-entry only form, any redemption of less than all of a maturity of the 2018 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 2018 Series Bonds, and when redemption of the 2018 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 2018 Series Bonds, which notice shall specify the maturities of the 2018 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 2018 Series Bonds of the same maturity are to be redeemed, the letters and numbers or other distinguishing marks of such 2018 Series Bonds so to be redeemed, and, in the case of 2018 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 2018 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 2018 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 2018 Series Bonds or portions of 2018 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 2018 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 2018 Series Bonds.

So long as DTC is acting as securities depository for the 2018 Series Bonds, all notices of redemption required to be given to the registered owners of the 2018 Series Bonds will be given to DTC.

SCHEDULE III

INFORMATION TO ESTABLISH ISSUE PRICE

Maturity Date	Cusip #	Principal Amount (\$)	Interest Rate (%)	Initial Public Offering Price or Yield	10% Test Maturities: 10% Test Met on Sale Date (first price at which 10% sold to the public or N/A)	Hold the Offering Price Maturities

EXHIBIT A

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

_____, 2018

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

The Honorable Elizabeth Maher Muoio
Treasurer of the State of New Jersey
State House
Trenton, New Jersey 08625

Citigroup Global Markets Inc., as
Manager of the Underwriters
388 Greenwich Street, 8th Floor
New York, New York 10013

Re: New Jersey Transportation Trust Fund Authority
Transportation System Bonds, 2018 Series _

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance of \$____, ____,000 aggregate principal amount of Transportation System Bonds, 2018 Series _ (the "2018 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 2018 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 by the Authority on June 15, 1995, as amended and supplemented (the "Bond Resolution"), including as supplemented by the Thirtieth Supplemental Transportation System Bond Resolution adopted by the Authority on May __, 2018 (the "Thirtieth Supplemental Resolution"), and a Series Certificate of the Authority, dated the date hereof (the "Series Certificate"). The Bond Resolution, as amended and supplemented, including as supplemented by the Thirtieth 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 2018 Series Bonds, dated _____, 2018 (the "Purchase Contract"), between the Authority and Citigroup Global Markets Inc., as Manager, acting on behalf of itself and the other Underwriters named therein.

The 2018 Series Bonds are being issued for the purposes of (i) paying or providing for the refunding and defeasance of the Refunded Bonds and (ii) paying costs of issuance of the 2018 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 "Fourth 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 _____, 2018 (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 Escrow Deposit Agreement, the Continuing Disclosure Agreement and the other documents, certifications, instruments, opinions and records delivered in connection with the issuance of the 2018 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 Escrow Deposit Agreement 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 State Treasurer and constitutes a legal, valid and binding obligation of the State Treasurer, enforceable against the State 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," "SOURCES OF PAYMENT AND SECURITY FOR THE 2018 SERIES

BONDS,” “STATUTORY DEBT ISSUANCE LIMITATIONS,” “PRIOR BONDS,” “PLAN OF FINANCE,” “DESCRIPTION OF THE 2018 SERIES _ BONDS”, “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,” and “CONTINUING DISCLOSURE” (first paragraph only) 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 copies of the Resolution and State Contract attached to the Official Statement as Appendices II and III, respectively, were, as of the date of the Official Statement, and are, as of the date hereof, true and accurate copies of such documents, and the forms of Continuing Disclosure Agreement and Opinion of Bond Counsel attached to the Official Statement as Appendices IV and V, respectively, were, as of the date of the Official Statement, and are, as of the date hereof, true and accurate forms of such documents. 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 2018 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 2018 Series Bonds, and its obligations under the Resolution and the State Contract relating to the 2018 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 State Treasurer, the Attorney General of the State, the Underwriters, and Counsel to the Underwriters. Based upon our participation in the preparation of the Preliminary Official Statement and the Official Statement and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement or 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 Preliminary Official Statement, the Preliminary Official Statement and 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 2018 Series Bonds and the information contained in the sections therein entitled “LITIGATION” and in Appendices I and VI 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 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 2018 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 2018 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 System Bonds, 2018 Series _

I, ELIZABETH MAHER MUOIO, 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 "FINANCIAL AND OTHER INFORMATION RELATING TO THE STATE OF NEW JERSEY" ("Appendix I"), which is included in the Official Statement (the "Official Statement"), dated __, 2018, relating to the issuance of \$ __, __,000 aggregate principal amount of the New Jersey Transportation Trust Fund Authority's Transportation System Bonds, 2018 Series __, 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 __, 2018.

TREASURER,
STATE OF NEW JERSEY

Elizabeth Maher Muoio
State Treasurer

EXHIBIT C

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

I, Timothy Egan, Managing Director of Citigroup Global Markets Inc. (the "Manager"), in reliance upon the representations and warranties made to the Manager in the Agreement Among Underwriters, dated _____, 2018, by the other Underwriters (collectively, the "Underwriters") listed on Schedule I to the Bond Purchase Contract (the "Purchase Contract"), dated _____, 2018, 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 Transportation System Bonds, 2018 Series _ (the "2018 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 2018 Series Bonds.

IN WITNESS WHEREOF, I have executed this Certificate this ____ day of _____, 2018.

**CITIGROUP GLOBAL MARKETS,
INC.**

By: _____
Name:
Title:

EXHIBIT D

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

_____, 2018

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

Re: New Jersey Transportation Trust Fund Authority
\$____, _____.000 Transportation System Bonds, 2018 Series _

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 aggregate principal amount of Transportation System Bonds, 2018 Series _ (the "2018 Series Bonds"). We also act as counsel to the State in accordance with N.J.S.A. 52:17A-4.

The 2018 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 amended and supplemented, including as supplemented by the Thirtieth Supplemental Transportation System Bond Resolution adopted by the Authority on May __, 2018 (the "Thirtieth Supplemental Resolution"), and a Series Certificate of the Authority, dated the date hereof (the "Series Certificate") (the Bond Resolution, as amended and supplemented, including as supplemented by the Thirtieth 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 2018 Series Bonds are being issued for the purposes of (i) paying or providing for the refunding and defeasance of the Refunded Bonds and (ii) paying costs of issuance of the 2018 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 "State Treasurer") and the Commissioner of the Department of Transportation of the State (the "Commissioner") have entered into an agreement entitled "Fourth 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 _____, 2018 (the "State Contract"), to implement such payments and other arrangements provided for in the Act.

The State Treasurer, the Authority and U.S. Bank National Association, as Trustee and Dissemination Agent for the 2018 Series Bonds (the "Trustee"), have entered into the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), dated the date of the issuance of the 2018 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.

The Authority and the Trustee, as Escrow Agent, have entered into an Escrow Deposit Agreement, dated the date hereof (the "Escrow Deposit Agreement"), in connection with the refunding and defeasance of the Refunded Bonds.

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 _____, 2018, between the Authority and Citigroup Global Markets Inc., the manager on behalf of the underwriters listed on Schedule I thereto, the Continuing Disclosure Agreement, the Escrow Deposit Agreement, the Official Statement, dated _____, 2018, relating to the 2018 Series Bonds (the "Official Statement") and the other documents listed in the closing memorandum relating to the 2018 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 Thirtieth Supplemental Resolution or would restrain or enjoin the execution and delivery by the Authority of the State Contract, the Continuing Disclosure Agreement, the Escrow Deposit Agreement, the Series Certificate or the 2018 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 Thirtieth Supplemental Resolution, the Continuing Disclosure Agreement, the Escrow Deposit Agreement, the Series Certificate or the State Contract or the validity of the 2018 Series Bonds.

2. The adoption of the Bond Resolution and the Thirtieth Supplemental Resolution, the execution and delivery of the State Contract, the Continuing Disclosure Agreement, the Escrow Deposit 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 State Treasurer of the State Contract or the Continuing Disclosure Agreement or would have a materially adverse effect on the State 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,

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY

By: _____
Kavin K. Mistry
Assistant Attorney General

EXHIBIT E

FORM OF OPINION OF COUNSEL TO UNDERWRITERS

[The form of this opinion will be provided separately]

EXHIBIT F

FORM OF ISSUE PRICE CERTIFICATE

_____, 2018

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:	New Jersey Transportation Trust Fund Authority \$____, ____,000 Transportation System Bonds, 2018 Series _
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Citigroup Global Markets, Inc., as representative acting for and on behalf of itself and the respective underwriters (collectively, the “Underwriters”) of the New Jersey Transportation Trust Fund Authority’s \$____, ____,000 Transportation Series Bonds, 2018 Series _ (the “2018 Series Bonds”), pursuant to the Bond Purchase Contract dated _____, 2018 (the “Sale Date”) with respect to the 2018 Series Bonds (the “Purchase Contract”), hereby represents in connection with the sale and issuance of the 2018 Series Bonds, to the best of its knowledge and belief, as follows:

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Underwriters offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for such 2018 Series Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Purchase Contract, each of the Underwriters have agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, the Representative would neither offer nor sell any of the unsold 2018 Series Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), (ii) unsold 2018 Series Bonds of the Hold-the-Offering Price Maturities shall be retained by the Representative and not allocated to any other Underwriter, and (iii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, the Representative has not offered or sold unsold 2018 Series Bonds of any Maturity

of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the 2018 Series Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the 2018 Series Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the 2018 Series Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the New Jersey Transportation Trust Fund Authority.

(e) *Maturity* means 2018 Series Bonds with the same credit and payment terms. 2018 Series Bonds with different maturity dates, or 2018 Series Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(g) *Related Party* means any entity if an Underwriter and such entity are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(h) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the 2018 Series Bonds. The Sale Date of the 2018 Series Bonds is [DATE].

(i) *Underwriter* means (i) the Representative, (ii) any other entity listed on Schedule I to the Purchase Contract, and (iii) any person that agrees pursuant to a written contract directly or indirectly with an entity described in clauses (i) or (ii) of this paragraph to participate in the initial sale of the 2018 Series Bonds to the Public (including a member of a

selling group or a party to a retail distribution agreement participating in the initial sale of the 2018 Series Bonds to the Public).

4. 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 2018 Series Bonds maturing on June 15, 20__ and bearing interest at the rate of __% per annum, June 15, 20__ through June 15, 20__, and 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 2018 Series Bonds. The Premium Bonds are subject to optional early redemption. In calculating the yield on the 2018 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 2018 Series Bonds. The yield on the 2018 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.

5. Weighted Average Maturity. The weighted average maturity of the 2018 Series Bonds, determined as the sum of the products of the issue price of each maturity and years to maturity from delivery date (and by taking into account mandatory redemptions) divided by the aggregate issue price of the 2018 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.

6. 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 2018 Series Bonds is fair and reasonable under the circumstances.

7. Market Based Premium. The amount of the premium included in the pricing of the 2018 Series Bonds is reasonable to efficiently market the 2018 Series Bonds.

[Remainder of Page Intentionally Left Blank]

We understand that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and by McCarter & English, LLP in connection with rendering its opinion to the Issuer that the interest on the 2018 Series Bonds is not includable in gross income of the owners thereof for federal income tax purposes. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws; in particular the regulations under the Internal Revenue Code of 1986, as amended, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other purchasers, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

**CITIGROUP GLOBAL MARKETS
INC., on behalf of the Underwriters,
including itself**

By: _____
Name:
Title:

Schedule A To Issue Price Certificate

Maturity Date	Cusip #	Principal Amount (\$)	Interest Rate (%)	Initial Public Offering Price or Yield	10% Test Maturities: 10% Test Met on Sale Date (first price at which 10% sold to the public or N/A)	Hold the Offering Price Maturities

EXHIBIT G

FORM OF CERTIFICATION OF UNDERWRITERS AS TO DISCLOSURE

I, Timothy Egan, Managing Director of Citigroup Global Markets Inc., as Manager (the "Manager"), in reliance upon the representations and warranties made to the Manager in the Agreement Among Underwriters, dated _____, 2018, by the other Underwriters (collectively the "Underwriters") listed in Schedule I to the Bond Purchase Contract, dated _____, 2018 (the "Purchase Contract"), by and between the New Jersey Transportation Trust Fund Authority (the "Authority") and the Manager, on behalf of the other Underwriters relating to the Authority's \$____,____,000 Transportation System Bonds, 2018 Series _ (the "Bonds"), HEREBY CERTIFY on behalf of the Manager and the Underwriters that the information contained under the heading "UNDERWRITING" in the Official Statement dated _____, 2018 did not, as of the date thereof, and does not, as of the date hereof, 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.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2018.

Citigroup Global Markets Inc.

By: _____
Name:
Title:

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2018

NEW ISSUE – BOOK-ENTRY ONLY

Fitch:
Moody's:
S&P:

(See "RATINGS" herein)

\$ _____ *

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
TRANSPORTATION SYSTEM BONDS
2018 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 \$ _____ * Transportation System Bonds, 2018 Series A (the "2018 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 2018 Series A Bonds is excluded from the gross income of the owners of the 2018 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 2018 Series A Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. In the case of certain corporate holders of the 2018 Series A Bonds, interest on the 2018 Series A Bonds will be included in adjusted current earnings for purposes of the alternative minimum tax applicable to taxable years beginning before January 1, 2018. Based upon existing law, interest on the 2018 Series A Bonds and net gains from the sale thereof are exempt from the tax imposed by the New Jersey Gross Income Tax Act. See TAX MATTERS herein.*

Redemption: The 2018 Series A Bonds are subject to redemption prior to maturity, as described herein. See "DESCRIPTION OF THE 2018 SERIES A BONDS – Redemption Provisions" herein.

Security: The 2018 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: "Fourth Amended and Restated Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act With Respect to Transportation System Bonds" dated the date of issuance of the 2018 Series A Bonds (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 2018 SERIES A BONDS" herein.

The 2018 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 2018 Series A Bonds are being issued for the purposes of (i) refunding certain outstanding Transportation System Bonds of the Authority, and (ii) paying the costs of issuance of the 2018 Series A Bonds. See "PLAN OF FINANCE" herein.

Interest Rates and Yields: As shown on the inside front cover.

Interest Payment Dates: Interest on the 2018 Series A Bonds is payable on June 15 and December 15, commencing June 15, 2019.

Denominations: The 2018 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.

The 2018 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 their co-counsel, Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, and McManimon, Scotland & Baumann, LLC, Roseland, New Jersey. The 2018 Series A Bonds in definitive form are expected to be available for delivery through DTC on or about _____, 2018.

CITIGROUP

Official Statement dated: _____, 2018

* Preliminary, subject to change.

#9884506.2(143638.021)

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 law of any such jurisdiction.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
YIELDS AND CUSIP** NUMBERS**

\$ _____
**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
TRANSPORTATION SYSTEM BONDS
2018 SERIES A**

<u>Maturity Date*</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
06/15/2019	\$			
12/15/2023				
12/15/2024				
12/15/2025				
12/15/2026				
12/15/2027				
12/15/2028				
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12/15/2031				
12/15/2032				
12/15/2033				
12/15/2034				
12/15/2035				
12/15/2036				
12/15/2037				
12/15/2038				

* Preliminary, subject to change.

** CUSIP is a registered trademark of the American Bankers Association. CUSIP numbers have been provided by CUSIP Global Services, which is operated on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers are being provided solely for the convenience of the holders of the 2018 Series A Bonds only and the Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2018 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 2018 Series A Bonds.

IN CONNECTION WITH THE OFFERING OF THE 2018 SERIES A BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2018 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 2018 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 2018 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 2018 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 2018 Series A Bonds, the principal documents related to the security for the 2018 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 2018 Series A Bonds, and all references to the 2018 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 2018 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 2018 Series A Bonds and the security therefor, including an analysis of the risks involved. The 2018 Series A Bonds have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the 2018 Series A Bonds in accordance with applicable provisions of securities laws of the various jurisdictions in which the 2018 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 2018 Series A Bonds or the adequacy, accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

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OFFICIAL STATEMENT
relating to

\$ _____
NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
TRANSPORTATION SYSTEM BONDS
2018 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 \$ _____ * Transportation System Bonds, 2018 Series A (the "2018 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, 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 bonds, notes or other obligations, including subordinated obligations, by the Authority. The Act sets certain limits on the maximum amount of debt that can be incurred by the Authority in a fiscal year. The issuance of bonds, notes or other obligations, including subordinated obligations of the Authority, issued for refunding purposes is not subject to the foregoing limits. See "STATUTORY DEBT ISSUANCE LIMITATIONS" herein.

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").

* Preliminary, subject to change.

The Authority is issuing the 2018 Series A Bonds for the purposes of (i) refunding certain outstanding Transportation System Bonds (as hereinafter defined) of the Authority (the "Bonds to be Refunded"), and (ii) paying the costs of issuance of the 2018 Series A Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The 2018 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 Thirtieth Supplemental Transportation System Bond Resolution, adopted on May 23, 2018 (the "Thirtieth Supplemental Resolution") and a 2018 Series A Certificate of the Authority dated the date of sale of the 2018 Series A Bonds (the "Series Certificate"). The 1995 Transportation System Bond Resolution, as amended and supplemented, including by the Thirtieth Supplemental Resolution and the Series Certificate, is collectively referred to herein as the "Resolution." Bonds issued under the Resolution are, pursuant to the Resolution, designated as "Transportation System Bonds." U.S. Bank National Association, Morristown, New Jersey, has been appointed as trustee (the "Trustee") and paying agent (the "Paying Agent") by the Authority for obligations issued under the Resolution, including the 2018 Series A Bonds.

The Resolution constitutes a contract between the Authority and the holders of the bonds issued and outstanding thereunder. All such bonds issued pursuant to the Resolution, including the 2018 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 2018 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. The 2018 Series A Bonds will be secured on parity with all Bonds issued and to be issued from time to time under the Resolution. The Authority may, in its discretion, issue one or more series of Reserve Fund Bonds (hereinafter defined). However, if the Authority issues Reserve Fund Bonds, 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 2018 Series A Bonds. See "SECURITY FOR THE 2018 SERIES A BONDS - Property Pledged to the 2018 Series A Bonds; the State Contract; the Act; the Resolution" herein.

The Act, as most recently amended by L. 2016. c. 56, effective October 14, 2016 (the "2016 Legislation"), authorizes the Authority to issue bonds ("Transportation Program Bonds"), which bonds are payable solely from revenues dedicated pursuant to the New Jersey Constitution, including Article VIII, Section II, paragraph 4 (the "Constitutionally Dedicated Revenues"). Transportation Program Bonds are issued under the New Jersey Transportation Trust Fund Authority 2012 Transportation Program Bond Resolution, adopted October 26, 2012 (the "2012 Transportation Program Bond Resolution"). The Authority has previously issued bonds under the 2012 Transportation Program Bond Resolution and currently has outstanding \$ _____ aggregate principal amount of Transportation Program Bonds. Pursuant to the Act, the Authority is authorized to issue additional Transportation Program Bonds in an amount not in excess of \$12,000,000,000 through the period ending June 30, 2024. The Constitutionally Dedicated Revenues pledged to the payment of the Transportation Program Bonds are also a source of payment for the 2018 Series A Bonds. However, Transportation Program Bonds are not payable from the statutorily dedicated revenues which may be used to pay debt service on the Transportation System Bonds, including the 2018 Series A Bonds. See "SECURITY FOR THE 2018 SERIES A BONDS – Constitutional Dedication of Certain State Revenues" and "SECURITY FOR THE 2018 SERIES A BONDS – Statutory Dedication of Certain State Revenues" herein.

It is anticipated that no further bonds will be issued under the Resolution other than Refunding Bonds. Bonds issued by the Authority to finance future 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 2018 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.

DESCRIPTION OF THE 2018 SERIES A BONDS

General

The Resolution, the State Contract and all provisions thereof are incorporated by reference in the text of the 2018 Series A Bonds. Copies of the Resolution, including the full text of the form of the 2018 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 2018 Series A Bonds and is qualified by reference thereto.

The Series 2018 A Bonds will be dated their date of delivery and will mature on the dates and in the principal amounts shown on the inside cover of this Official Statement. The 2018 Series A Bonds 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, 2019 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 2018 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 2018 Series A Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months.

The Depository Trust Company ("DTC") will act as securities depository for the 2018 Series A Bonds. So long as DTC or its nominee is the registered owner of the 2018 Series A Bonds, payments of the principal of and interest on the 2018 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 2018 Series A Bonds. See "APPENDIX VI - BOOK-ENTRY ONLY SYSTEM."

The 2018 Series A Bonds will be issued in the form of a fully registered certificate for each maturity and, if applicable, interest rate within a maturity of the 2018 Series A Bonds, with such certificates being in the aggregate principal amount of the 2018 Series A Bonds, and when issued, will be registered in the name of Cede & Co., as nominee of DTC. See "APPENDIX VI - BOOK-ENTRY ONLY SYSTEM."

Redemption Provisions

Optional Redemption. The 2018 Series A Bonds maturing on or after December 15, 2029 are subject to optional redemption prior to maturity at the option of the Authority, at any time on or after December 15, 2028, 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 2018 Series A Bonds being redeemed, plus accrued interest thereon to the redemption date.

Selection of 2018 Series A Bonds to be Redeemed. If the 2018 Series A Bonds are registered in book-entry only form and DTC or a successor securities depository is the sole registered owner of the 2018 Series A Bonds and if less than all of the 2018 Series A Bonds of a maturity are called for prior redemption, the particular 2018 Series A Bonds or portions thereof to be redeemed shall be selected on a pro rata basis in accordance with DTC procedures.

If the 2018 Series A Bonds are not registered in book-entry only form, any redemption of less than all of a maturity of the 2018 Series A Bonds shall be effected by the Trustee among owners on a pro-rata basis subject to minimum Authorized Denominations.

Notice of Redemption

If the Trustee receives notice from the Authority of its election or direction to redeem the 2018 Series A Bonds, and provided that the redemption of the 2018 Series A Bonds is authorized or required pursuant to the Resolution, then the Trustee shall give notice, in the name of the Authority, of the redemption of such 2018 Series A Bonds, which notice shall specify the maturities of the 2018 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 2018 Series A Bonds of the same maturity are to be redeemed, the letters and numbers or other distinguishing marks of such 2018 Series A Bonds to be so redeemed, and, in the case of 2018 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 the Redemption Price of each 2018 Series A Bond to be redeemed, or, in the case of 2018 Series A Bonds to be redeemed in part only, the Redemption Price of the specified portions of the principal amount of each 2018 Series A Bond to be redeemed, together with interest accrued to the redemption date, shall become due and payable on the redemption date, and that from and after such redemption 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 2018 Series A Bonds or portions of 2018 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 2018 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 2018 Series A Bonds.

So long as DTC is acting as securities depository for the 2018 Series A Bonds, all notices of redemption required to be given to the registered owners of the 2018 Series A Bonds will be given to DTC.

Book-Entry Only System

The information in APPENDIX VI - BOOK-ENTRY ONLY SYSTEM 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.

Neither the DTC Participants nor the Beneficial Owners (as such terms are defined in APPENDIX VI – BOOK-ENTRY ONLY SYSTEM) should rely on such information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

THE AUTHORITY, THE TRUSTEE, AND THE PAYING AGENT 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 2018 SERIES A BONDS, (I) PAYMENTS OF PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE 2018 SERIES A BONDS, (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTEREST IN 2018 SERIES A BONDS OR (III) NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE HOLDER OF THE 2018 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 IN THE MANNER DESCRIBED IN APPENDIX VI TO THIS OFFICIAL STATEMENT. NEITHER THE AUTHORITY, THE TRUSTEE NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DIRECT PARTICIPANTS, ANY PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE 2018 SERIES A BONDS UNDER OR THROUGH DTC OR ANY DIRECT PARTICIPANT, OR ANY OTHER PERSON WHICH IS NOT SHOWN ON THE BOND REGISTER OF THE AUTHORITY KEPT BY THE TRUSTEE AS BEING A 2018 SERIES A BONDHOLDER.

NONE OF THE AUTHORITY, THE TRUSTEE OR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION, EITHER SINGULARLY OR JOINTLY, TO DTC PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE 2018 SERIES A BONDS UNDER THE RESOLUTION; (III) THE SELECTION BY DTC OR ANY DTC PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE 2018 SERIES A BONDS; (IV) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST DUE WITH RESPECT TO THE 2018 SERIES A BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF 2018 SERIES A BONDS; OR (VI) ANY OTHER MATTER.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF ALL OF THE 2018 SERIES A BONDS, REFERENCES HEREIN TO THE OWNERS, HOLDERS, OR REGISTERED OWNERS OF THE 2018 SERIES A BONDS (OTHER THAN UNDER THE CAPTION "TAX MATTERS" HEREIN) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2018 SERIES A BONDS.

In the event that the 2018 Series A Bonds are no longer subject to the book-entry only system, the Authority shall immediately advise the Trustee in writing of the procedures for transfer of such 2018 Series A Bonds from such book-entry only form to a fully registered form. Thereafter, bond certificates

will be printed and delivered as described in the Resolution and Beneficial Owners will become the registered owners of the 2018 Series A Bonds.

SECURITY FOR THE 2018 SERIES A BONDS

Property Pledged to the 2018 Series A Bonds; the State Contract; the Act; the Resolution

The 2018 Series A Bonds are payable and secured under the Resolution on 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.

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 third succeeding paragraph), the Revenues (defined in the third succeeding 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 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 Treasury¹); 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 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.” Transportation System Bonds issued and to be issued under the Resolution, including the 2018 Series A Bonds, are Prior Bonds. The Act creates [two][three] 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,” the “Transportation Trust Fund Account -- Subaccount for Debt Service for Transportation Program Bonds” [and the “Transportation Trust Fund Account -- Subaccount for Capital Reserves.”] In furtherance of the Act’s requirement that debt service on Transportation Program Bonds be paid solely from Constitutionally Dedicated Revenues, only amounts derived from Constitutionally Dedicated Revenues are to be deposited into the Transportation Trust Fund Account -- Subaccount for Debt Service for Transportation Program Bonds. [Additionally, the Act also provides that only amounts derived from Constitutionally Dedicated Revenues are to be deposited into the Transportation Trust Fund Account -- Subaccount for Capital Reserves.] 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. 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 2018 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, simultaneously with the issuance of the 2018 Series A Bonds, the Authority, the State Treasurer and the Commissioner will enter into an agreement entitled “Fourth Amended and Restated Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act with respect to Transportation System Bonds” (the “State Contract”) in substantially the

¹ As a result of the federal budget sequestration presently in effect for the current federal fiscal year ending September 30, 2019, the Build America Bonds cash subsidy amount payable to the Authority on June 15, 2019 will likely be reduced by ____%. As noted on page 10, for Fiscal Year 2019, the State Legislature has appropriated sufficient funds to pay the debt service on all of the currently outstanding indebtedness under the Resolution, together with the 2018 Series A Bonds, coming due in Fiscal Year 2019.

form attached as APPENDIX III to this Official Statement. The State Contract implements the financing and funding arrangements contemplated by the Act, as amended by the 2016 Legislation, with respect to the Authority's Transportation System Bonds. See "APPENDIX III — FORM OF THE FOURTH AMENDED AND RESTATED STATE CONTRACT" herein.

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 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 2018 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 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 all revenue derived from the collection 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"), as provided in Article VIII, Section II, Paragraph 4 of the New Jersey State Constitution, 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 sum of the revenues due from the increase of fees for 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 all revenue derived from the tax imposed on the sale of petroleum products pursuant to L. 1990, c. 42 (C. 54:15B-1 et seq.), 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, as provided in Article VIII, Section II, Paragraph 4 of the New Jersey State Constitution, 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 (5th) 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 2018 SERIES A BONDS— Constitutional Dedication of Certain State Revenues” below.

In accordance with the Act, simultaneously with the issuance of the 2018 Series A Bonds, the Authority, the State Treasurer and the Commissioner will 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.

Constitutional Dedication of Certain State Revenues

Assembly Concurrent Resolution No. 1 of 2015, which was passed by the State General Assembly and State Senate on January 11, 2016 and approved by the voters of the State in the November 2016 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 through the State Fiscal Year commencing on July 1, 2015, 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, and for each State fiscal year thereafter, an amount equivalent to all revenue derived from the collection of the tax imposed on the sale of motor fuels pursuant to Chapter 39 of Title 54 of the Revised Statutes or any other subsequent law of similar effect;

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, for each State Fiscal Year from State Fiscal Year 2002 through State Fiscal Year 2016 an amount not less than \$200,000,000 derived from those revenues, and for each State Fiscal Year thereafter, an amount equivalent to all revenue derived from the collection of the tax on the gross receipts of the sale of petroleum products imposed pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.) as amended and supplemented, or any other subsequent law of similar effect; 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 2019, which began on July 1, 2018, the State Legislature appropriated \$ _____ 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 currently outstanding indebtedness under the Resolution, together with the 2018 Series A Bonds, coming due in such Fiscal Year. See also the footnote on page 8 for more information on the impact of the federal budget sequester on the Authority.

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 System Bonds of the Authority.

State's General Taxing Power Not Pledged

Pursuant to the Act and the Resolution, the 2018 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 2018 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 Transportation System 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 2018 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 2018 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. The 2018 Series A Bonds constitute Refunding Bonds. JBOC approved the issuance of the 2018 Series A Bonds on _____, 2018.

Transportation Program Bonds

The Act authorizes the issuance of Transportation Program Bonds. Although Transportation Program Bonds are not issued under the Resolution, the source of payment for debt service on - +Transportation Program Bonds is and will be the Constitutionally Dedicated Revenues, which Constitutionally Dedicated Revenues are also the primary source of payment for the Transportation System Bonds, including the 2018 Series A Bonds. See "SECURITY FOR THE 2018 SERIES A BONDS – Constitutional Dedication of Certain State Revenues," "SECURITY FOR THE 2018 SERIES A BONDS – Statutory Dedication of Certain State Revenues" and "TRANSPORTATION PROGRAM BONDS" herein.

STATUTORY DEBT ISSUANCE LIMITATIONS

Transportation System Bonds

The statutory debt issuance limitations for the Transportation System Bonds were last set by L. 2006, c. 3. The Act, as amended by L. 2006, c. 3, provided, in pertinent part, that up to an aggregate principal amount of \$1,600,000,000 of debt constituting Transportation System Bonds issued under the Resolution, other than debt issued to refund Prior Bonds, was permitted to be issued in Fiscal Years 2007 through 2011. If a portion of that permitted amount of debt was not incurred in a Fiscal Year, the unused portion could be incurred in a subsequent Fiscal Year in addition to the amount permitted for such subsequent Fiscal Year. As of the date hereof, there is no remaining unused statutory debt cap under the Act, as amended by L. 2006, c. 3, for the Transportation System Bonds (except for a nominal amount representing the amount thereof in excess of the nearest integral multiple of \$5,000). Accordingly, under the Act, only Refunding Bonds may be issued under the Resolution.

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 under the heading "SECURITY FOR THE 2018 SERIES A BONDS – Refunding Bonds." 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 Authority has previously issued bonds under the 2012 Transportation Program Bond Resolution and currently has outstanding \$_____ aggregate principal amount of Transportation Program Bonds. Pursuant to the Act, the Authority is authorized to issue additional Transportation Program Bonds in an amount not in excess of \$12,000,000,000 through the period ending June 30, 2024. The 2018 Series A Bonds are not Transportation Program Bonds. See "TRANSPORTATION PROGRAM BONDS" herein.

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 above under the heading "STATUTORY DEBT ISSUANCE LIMITATIONS – Refunding Bonds."

TRANSPORTATION PROGRAM BONDS

The Act provides that the payment of debt service on Transportation Program Bonds and any agreements issued in connection therewith 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 Act.

To implement the provisions of the Act, the Authority adopted the 2012 Transportation Program Bond Resolution. In connection with the issuance of the first series of Transportation Program Bonds under the 2012 Transportation Program Bond Resolution, the Treasurer, the Commissioner and the Authority entered into a Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act with respect to Transportation Program Bonds.

For Fiscal Year 2019, which began on July 1, 2018, the State Legislature appropriated \$_____ 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 outstanding Transportation Program Bonds coming due in such Fiscal Year.

Bonds issued to finance future State Transportation System Costs are expected to be issued as Transportation Program Bonds under the 2012 Transportation Program Bond Resolution.

PLAN OF FINANCE

The 2018 Series A Bonds are being issued for the purposes of (i) refunding the Bonds to be Refunded (See "APPENDIX VII – PRELIMINARY LIST OF BONDS TO BE REFUNDED") and (ii) paying the costs of issuance of the 2018 Series A Bonds.

Concurrently with the issuance and delivery of the 2018 Series A Bonds, the Authority and U.S. Bank National Association, as escrow agent (in such capacity, the "Escrow Agent"), will enter into an escrow deposit agreement (the "Escrow Deposit Agreement"). Pursuant to the Escrow Deposit Agreement, on the delivery date of the 2018 Series A Bonds, proceeds of the 2018 Series A Bonds will be deposited with the Escrow Agent and invested in certain "Federal Securities" (as such term is defined in the Resolution), the principal of and interest on which, when due, has been calculated to be sufficient to pay (1) the interest coming due on the Bonds to be Refunded to their respective maturity or redemption dates and (2) the principal or Redemption Price of the Bonds to be Refunded on their respective maturity or redemption dates.

Upon the deposit of proceeds of the 2018 Series A Bonds pursuant to the Escrow Deposit Agreement and the investment in Federal Securities as provided therein, the Bonds to be Refunded shall no longer be deemed to be Outstanding under the Resolution.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the issuance of the 2018 Series A Bonds are expected to be as set forth below:

Sources of Funds:

Par Amount of 2018 Series A Bonds	\$
Net Original Issue Premium (Discount)	<u> </u>
Total Sources of Funds	\$ <u> </u>

Uses of Funds:

Deposit to Escrow Fund	\$
Costs of Issuance ⁽¹⁾	<u> </u>
Underwriters' Discount	<u> </u>
Total Uses of Funds.....	\$ <u> </u>

⁽¹⁾ Includes bond ratings, printing, legal fees, Trustee and Escrow Agent fees and other expenses relating to the issuance and sale of the 2018 Series A Bonds.

DEBT SERVICE SCHEDULE – TRANSPORTATION SYSTEM BONDS

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

<u>Fiscal Year</u>	<u>Prior Bonds Gross Debt Service</u> ^{1,2}	<u>2018 Series A Bonds Debt Service</u>	<u>Total Gross Debt Service</u> ^{1,2}
2019	\$	\$	\$
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
Total³	\$	\$	\$

¹ Includes debt service payments made and to be made in Fiscal Year 2019, and includes debt service on prior bonds issued by the Authority and on the New Jersey Economic Development Authority's Transportation Project Sublease Revenue Refunding Bonds (New Jersey Transit Corporation Light Rail Transit System Project) 2008 Series A, Transportation Project Sublease Revenue Bonds (New Jersey Transit Corporation Projects) 2017 Series A, and Transportation Project Sublease Revenue Refunding Bonds (New Jersey Transit Corporation Projects) 2017 Series B, which debt service is payable from funds appropriated to the Authority. Includes debt service payments on Bonds to Be Refunded.

² Totals are not adjusted for federal cash subsidy for Build America Bonds. See footnote on Page 7 and "SECURITY FOR THE 2018 SERIES A BONDS - State Appropriations" on Page 10.

³ Totals may not add due to rounding.

DEBT SERVICE SCHEDULE – TRANSPORTATION PROGRAM BONDS

The following table sets forth the debt service requirements for the Transportation Program Bonds Outstanding under the 2012 Transportation Program Bond Resolution in each Fiscal Year.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2019	\$	\$	\$
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			

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 fifteen (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 of the State (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:

Diane Gutierrez-Scaccetti: *ex-officio*, Acting Chairperson; Acting Commissioner of the New Jersey Department of Transportation.

Elizabeth Maher Muoio: *ex-officio*; Treasurer of the State of New Jersey.

Greg Lalevee: Vice Chairperson; Statutory Representative of Interest of Trade Unions; Public Member

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

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

John J. Duthie: [Authority to provide background information]; 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.

Anthony Longo: Treasurer; Senior Manager, Office of Public Finance, New Jersey Department of the Treasury.

David Moore: Assistant Treasurer; Deputy Director, Office of Public Finance, New Jersey Department of the Treasury.

Samuel Braun: Comptroller; Division of Budget, New Jersey Department of Transportation

Linda Davino: Secretary; New Jersey Department of Transportation.

Jackie Brown: Assistant 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 (15) 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, unless during such fifteen (15) 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 2018 SERIES A BONDS— Property Pledged to the 2018 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 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, Authority funds and funds from the Port Authority of New York and New Jersey and from the New Jersey Turnpike Authority. 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 2,326 center line miles of state highways maintained by the Department and approximately 36,716 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 2,389 are owned by the Department, 107 are owned by NJ Transit, 1,174 are owned by independent state toll road authorities, 2,668 are owned by counties and municipalities and the remainder are owned by other private and public entities.

The State's transportation system also consists of commuter rail, light rail, and bus lines in the State, which are principally operated by NJ Transit. Covering a service area of 5,325 square miles, NJ Transit is one of the nation's largest providers of bus, rail and light rail transit, linking major points in New Jersey, New York and Philadelphia. NJ Transit operates a fleet of over 2,200 buses, 1,289 locomotives and rail cars, and 93 light rail vehicles. NJ Transit also provides more than 800 buses for routes operated by other carriers. [On 262 bus routes, 12 heavy rail lines, and three light rail lines, riders took over 271 million unlinked trips in State Fiscal Year 2014.]

NJ Transit also provides connections to other transit systems. At New York's Penn Station, connections are available from NJ Transit lines to Amtrak, the Long Island Railroad and the New York City subway lines. In 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 needs. 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 the State.

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, and several Assistant Commissioners 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 of Staff is responsible for legislative relations, communications, and customer advocacy, as well as human resource management, employee safety, information systems, training and development, civil rights and affirmative action programs.

The Assistant Commissioner for Finance and Administration supervises the Department's financial affairs as well as information systems, procurement, and capital investments/program coordination. The Assistant Commissioner assesses current and future conditions, demands and opportunities to improve transportation facilities and services, and also develops a Statewide Transportation Capital Investment Strategy, the Annual Capital Program, the Statewide Transportation Improvement Program, and the Study and Development Program.

The Chief Financial Officer 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 Planning, Multimodal and Grant Administration is responsible for planning services across 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, operates a research and technology effort that investigates and demonstrates new transportation technologies, and develops an asset management program to optimize investment in the State's existing transportation infrastructure.

The Assistant Commissioner for Capital Program Management ("CPM") is responsible for the development and delivery of the Department's annual Capital Program to ensure that program objectives, project commitments and schedules are met. CPM is comprised of six divisions: Construction Services and Materials, Project Management, Right of Way and Access Management, Capital Program Support, Highway and Traffic Design, and Bridge Engineering and Infrastructure Management. This includes oversight of all aspects of: project management, environmental services, property acquisition, design, quality assurance, and construction management for all active projects. CPM is also responsible for a number of other engineering functions that are ancillary to the delivery of the Capital Program including: pavement management, the "Good Neighbor" landscaping program, railroad grade crossing safety programs, the New Jersey Major Access Permit Program, the Wireless Communications License Program, and ensuring statewide compliance with National Bridge Inspection Standards.

The Assistant Commissioner for Operations is responsible for maintenance and operation of the State highway system and the Department's physical plant facilities. 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.

The Assistant Commissioner for Transportation Systems Management is responsible for intelligent transportation systems and emergency patrols as well as coordination 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.

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.

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 2018 Series A Bonds, or the contemplated uses of the proceeds of the 2018 Series A Bonds, or in any way contesting or affecting the validity of the 2018 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 2018 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 2018 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 2018 Series A Bonds in substantially the form included in this Official Statement as Appendix V. Certain legal matters in connection with the 2018 Series A Bonds will be passed upon for the Authority by the Attorney General of the State, and for the Underwriters by their co-counsel, Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, and McManimon, Scotland & Baumann, LLC, Roseland, New Jersey.

TAX MATTERS

Exclusion of Interest on the 2018 Series A Bonds From Gross Income for Federal Tax Purposes

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 2018 Series A Bonds in order to assure that interest on the 2018 Series A 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 2018 Series A Bonds to be included in gross income for federal income tax purposes, retroactive to the date of issuance of the 2018 Series A Bonds. The Authority will make representations in the Tax Certificate, which will be executed on the date of issuance of the 2018 Series A 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 2018 Series 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 2018 Series A Bonds from gross income for federal income tax purposes.

Based upon the foregoing, in the opinion of Bond Counsel, under existing law, interest on the 2018 Series A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the 2018 Series A Bonds. Bond Counsel will render its opinion as of the date of issuance of the 2018 Series A Bonds, and will assume no obligation to update the opinions after the issue date to reflect any future

facts or circumstances, or any future changes in law or interpretation, or otherwise. Moreover, the opinion of Bond Counsel is only an opinion and not a warranty or guaranty of the matters discussed.

Additional Federal Income Tax Consequences

In the case of certain corporate holders of the 2018 Series A Bonds, interest on the 2018 Series A Bonds will be included in adjusted current earnings for purposes of the alternative minimum tax applicable to taxable years beginning before January 1, 2018.

Prospective purchasers of the 2018 Series A Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the 2018 Series A 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 2018 Series A Bonds should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

The Internal Revenue Service (the “IRS”) has established an on-going program to audit tax-exempt obligations to determine whether interest on such obligations is includible in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the 2018 Series A Bonds. Owners of the 2018 Series A Bonds are advised that, if the IRS does audit the 2018 Series A Bonds, under current IRS procedures, at least during the early stages of an audit, the IRS will treat the Authority as the taxpayer, and the owners of the 2018 Series A Bonds may have limited rights to participate in such procedure. The commencement of audit could adversely affect the market value and liquidity of the 2018 Series A Bonds until the audit is concluded, regardless of the ultimate outcome.

[Original Issue Discount

Certain maturities of the 2018 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 2018 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, based upon existing law, interest on the 2018 Series A Bonds and net gains from the sale thereof are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

Changes in Law

Federal, state or local legislation, administrative pronouncements or court decisions may affect the tax-exempt status of interest on the 2018 Series A Bonds, gain from the sale or other disposition of the 2018 Series A Bonds, the market value of the 2018 Series A Bonds, or the marketability of the 2018 Series A Bonds, or otherwise prevent the owners of the 2018 Series A Bonds from realizing the full current benefit of the exclusion from gross income of the interest thereon. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the 2018 Series A Bonds may occur. Prospective purchasers of the 2018 Series A Bonds should consult their own tax advisors regarding the impact of any change in law on the 2018 Series A Bonds.

CONTINUING DISCLOSURE AGREEMENT

Upon the issuance and delivery of the 2018 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 2018 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. 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.

In addition, the continuing disclosure agreements relating to the Authority's Outstanding Transportation System Bonds, 1999 Series A, 2001 Series C and 2004 Series A provide that the Authority will provide an Authority's annual report, consisting of the Authority's audited financial statements for each Authority Fiscal Year ending June 30 (the "Authority's Annual Report"). The

Authority's Annual Report is required to be filed by the March 15 next following the end of each Fiscal Year. The continuing disclosure agreements for all issues subsequent to the Authority's Transportation System Bonds, 2005 Series A do not require, and the Continuing Disclosure Agreement for the 2018 Series A Bonds will not require, that the Authority provide the Authority's Annual Report.

The State Treasurer and the Authority have become aware of certain facts that they do not consider to be material but that are disclosed below for the benefit of the holders and Beneficial Owners of its Bonds.

Some information that was made available in a timely manner on EMMA may not have been linked to all relevant CUSIP numbers. In addition, filings with respect to certain bond insurer ratings changes were either posted late or the filings were not posted at all. The State Treasurer and the Authority are not always made aware of or may not have received notices from the rating agencies or the bond insurers of changes in the bond insurers' ratings. Such bond insurer ratings changes may or may not have had an effect on the ratings of the Bonds.

VERIFICATION OF MATHEMATICAL CALCULATIONS

Robert Thomas, CPA (the "Verification Agent"), will verify from the information provided to them the mathematical accuracy, as of the date of delivery of the 2018 Series A Bonds, of the computations contained in the provided schedules to determine that the amount to be deposited pursuant to the Escrow Deposit Agreement will be sufficient to pay, when due, the principal, interest and call premium payment requirements, if any, of the Bonds to be Refunded. The Verification Agent will express no opinion on the assumptions provided to it, nor as to the tax status of the interest on the 2018 Series A Bonds.

UNDERWRITING

The 2018 Series A Bonds are being purchased by Citigroup Global Markets Inc. ("Citigroup"), 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 2018 Series A Bonds at an aggregate purchase price of \$ _____, which is equal to the aggregate principal amount of 2018 Series A Bonds, plus net original issue premium in the amount of _____, less an Underwriters' discount in the amount of \$ _____. The initial public offering prices of the 2018 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 2018 Series A Bonds to certain dealers (including dealers depositing 2018 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.

[If applicable, insert Underwriters' disclosure language relating to retail distribution agreements]

RATINGS

Fitch Ratings ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P"), have assigned municipal bond ratings of "____" "____" and "____" respectively, to the 2018 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 Ratings, 33 Whitehall Street, New York, New York, 10004, Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007 and S&P Global Ratings, 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 2018 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 2018 Series A Bonds.

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 2018 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 2018 Series A Bonds.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

By: _____
Gary Brune, Executive Director

Dated: _____, 2018

APPENDIX I
FINANCIAL AND OTHER INFORMATION RELATING TO THE STATE OF NEW JERSEY

APPENDIX II
SUMMARY OF THE RESOLUTION

Summary of Certain Provisions of the Resolution

The following is a general summary of certain provisions of the Authority's 1995 Transportation System Bond Resolution, adopted on June 15, 1995, as amended and supplemented (the "Bond Resolution"), including by the Thirtieth Supplemental Transportation System Bond Resolution, adopted on May __, 2018 (the "Thirtieth Supplemental Resolution") and a Series Certificate of the Authority dated as of the date of sale of the 2018 Series A Bonds (the "2018 Series Certificate") (collectively, the Bond Resolution, the Thirtieth Supplemental Resolution and the Series Certificate are referred to herein as the "Resolution"). The following summary is not to be considered a full statement of the terms of the Resolution and accordingly is qualified by reference thereto and is subject to the full text thereof. A copy of the Resolution may be obtained from the Trustee upon request. The section references shown below in parentheses are to particular sections of the Bond Resolution or the 2018 Series Certificate, as applicable.

Definitions.

The following are definitions in summary form of certain terms contained in the Resolution and used in this Official Statement and the appendices hereto:

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

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.

Act shall mean the New Jersey Transportation Trust Fund Authority Act of 1984, constituting Chapter 73, Laws of New Jersey of 1984, as may be from time to time amended and supplemented, including without limitation the amendments effected by the 1995 Act.

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.

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.

Authority Reserve Fund shall mean the Authority Reserve Fund established in the Resolution.

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, 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 its Chairperson.

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 of the Resolution, the term "Bonds" shall not include Other Obligations.

Bondholder or Holder of Bonds or Holder shall mean any person who shall be the registered owner of any Bond or Bonds.

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.

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 the Resolution.

Build America Bonds shall mean the Authority's Transportation System Bonds, 2009 Series B, 2010 Series B and 2010 Series C.

Business Day shall mean any day that is not a Saturday, Sunday or legal holiday in the State or a day on which banking institutions chartered by the State or the United States are legally authorized or required to close.

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

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

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.

Debt Service Fund shall mean the Debt Service Fund established in the Resolution.

Debt Service Reserve Fund shall mean the Debt Service Reserve Fund established in the Resolution.

Debt Service Reserve Requirement shall mean, with respect to a Series of Bonds, the amount, if any, specified in the Supplemental Resolution or Series Certificate authorizing such Series of Bonds and meeting the then applicable criteria of any Rating Agency which will issue a rating with respect to such Series of 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 of the Resolution.

Federal Securities shall mean (i) any direct and general obligations of, or any obligations 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 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, and (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.

Fiduciary or Fiduciaries shall mean the Trustee, the Depositories, the Paying Agents, the Bond Registrar 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 as approved by the Authority and by each Rating Agency which has issued or will issue a rating of the Bonds to which such Financing Facility relates, in connection with the issuance of Bonds or Subordinated Debt. The term "Financing Facility" shall include, without limitation, any Swap Agreement.

Financing Facility Payment Obligations shall mean all payment and reimbursement obligations of the Authority in connection with any Financing Facility.

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 Investors Service.

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

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 Moody's and S&P 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, and in the case of investments of funds in the Debt Service Reserve Fund, if any, which meet the then applicable requirements of

each Rating Agency then maintaining a rating on the applicable Series of Reserve Fund Bonds for such investments:

- (i) Federal 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 guaranteed by the United States or by another such agency the obligations (including guarantees) of which are 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 in one of the two highest rating categories, without rating subcategories, by Moody's and S&P;
- (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 "Prime-I" or "A3" or better by Moody's and "A-I" or "A" or better by S&P, 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 on or before a Payment Date (or, if held in a Fund other than the Debt Service Fund or the Debt Service Reserve 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 the 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 subcategories, by Moody's and S&P;

(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 by Moody's and S&P;

(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 subcategories 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 \$50,000,000;

(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 at least "A +" by S&P if the Bonds are then rated by such Rating Agency and at least "A1" by Moody's if the Bonds are then rated

by such Rating Agency; and

(xiv) Investment Agreements.

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.

Moody's shall mean Moody's Investors Service.

1995 Act shall mean P.L. 1995, c. 108, which was enacted on May 30, 1995.

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 the Resolution;

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Resolution;

(iv) Bonds deemed to have been paid as provided in the Resolution; 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 adjustment or conversion 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.

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 Interest Payment Date and each date upon which any principal or Redemption Price of any Bonds Outstanding shall become 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 Revenue Contracts, the Revenues and Funds, other than the Debt Service Reserve Fund and the Rebate 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 moneys, securities or funds pledged for the payment of the Bonds in accordance with the terms and provisions of the 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 a Supplemental Resolution or Series Certificate, the applicable Financing Facility Revenues and all moneys from time to time held in any applicable subaccount within the Debt Service Fund and (c) 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. In addition, all subsidy or other amounts received or to be received by the Authority from the United States Treasury in accordance with the Code in connection with the interest payable on certain Build America Bonds shall constitute Pledged Property for all purposes of the Resolution.

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

Rebate Fund shall mean the Rebate Fund established in the Resolution.

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 205 of the Resolution, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Resolution.

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.

Related Swap Bond Payment Obligations shall mean, with respect to any Related Swap Bonds, (i) that portion of the interest on such Bonds payable from Swap Revenues as set forth in the applicable Supplemental Resolution or Series Certificate, and (ii) any Swap Termination Payments payable to the Holders of such Related Swap Bonds or to be used to purchase a substitute Swap Agreement.

Reserve Fund Bond or Bonds shall mean any Bond or Bonds which, pursuant to the Supplemental Resolution authorizing such Bond or Bonds, the Authority has established and pledged an Account in the Debt Service Reserve Fund to the payment of the principal and Redemption Price of, and interest on, such Bond or Bonds.

Resolution shall mean the 1995 Transportation System Bond Resolution as from time to time amended or supplemented by Supplemental Resolutions and Series Certificates in accordance with the terms thereof.

Revenue Contracts shall mean the State Contract, the Toll Road Authority Contracts or any assignment thereof, or any other agreement of the Authority of whatever nature.

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. In addition, all subsidy or other amounts received or to be received by the Authority from the United States Treasury in accordance with the Code in connection with the interest payable on certain Build America Bonds shall constitute Revenues for all purposes of the Resolution.

S&P shall mean Standard & Poor's Corporation.

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 the Resolution, regardless of variations in maturity, interest rate, redemption provisions or other provisions.

Series Certificate shall mean a certificate, including the 2018 Series 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 to be entered into among the Treasurer, the Commissioner and the Authority prior to the issuance of the first Series of Bonds under the 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.

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 511 of the Resolution.

Subordinated Debt Fund shall mean the Subordinated Debt Fund established in the Resolution.

Supplemental Resolution shall mean any resolution supplemental to or amendatory of the

Resolution adopted by the Authority in accordance with the Resolution.

Swap Agreement shall mean any interest rate swap, cap or collar or other arrangement between the Authority and one or more financial institutions providing for the transfer or mitigation of interest rate risks either generally or under specific contingencies.

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 provider of any 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 Debt Service Fund established in the Resolution.

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.

Toll Road Authority Contracts shall mean (i) the Agreement between the New Jersey Turnpike Authority and the State, dated April 17, 1984, (ii) the Agreement between the New Jersey Highway Authority and the State, dated April 26, 1984 and (iii) 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 or supplemented, or superseded and replaced in its entirety by subsequent agreement, and any assignments thereof.

Transportation Improvement Fund shall mean the Transportation Improvement Fund established in the Resolution.

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 anyone 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.

(Section 101 of the Bond Resolution)

General Provisions for Issuance of Bonds.

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 Supplemental Resolution authorizing such Bonds, and a copy of the Series Certificate, if any, relating to such Bonds, each certified by an Authorized Officer of the Authority;

(2) An Opinion of Bond Counsel to the effect that (i) the Authority has the right and power to adopt the Resolution, and 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 in accordance with its terms, and no other authorization for the Resolution is required; (ii) the Resolution creates the valid pledge which it purports to create of the Revenues, moneys, securities and funds and other Pledged Property including with respect to Reserve Fund Bonds the Account in the Debt Service Reserve Fund held or set aside under the Resolution for such Series of Bonds, subject to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution; and (iii) the Bonds of such Series are valid and binding obligations of the Authority as provided in the Resolution and entitled to the benefits of the Resolution and of the Act as amended to the date of such Opinion, and such Bonds have been duly and validly authorized and issued in accordance with law, including the Act as amended to the date of such Opinion, and in accordance with the Resolution; 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 the valid exercise of the sovereign police powers of the State of New Jersey and of the constitutional power of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy;

(3) A written order as to the delivery of such Bonds, signed by an Authorized Officer of the Authority;

(4) In the case of each Series of Reserve Fund Bonds, the amount, if any, necessary for deposit in the Account established for such Series in the Debt Service Reserve Fund so that such Account shall equal the Debt Service Reserve Requirement for such Series of Bonds, and any amounts necessary to cure any deficiencies in any other Account in the Debt Service Reserve Fund at the time of issuance of such Bonds;

(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 the Bond Resolution or the Supplemental Resolution or Series

Certificate authorizing such Series of Bonds.

(Section 202 of the Bond Resolution)

Refunding Bonds.

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.

Refunding Bonds of each Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents otherwise required by the Resolution) 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 the Resolution to the Holders of the Bonds being refunded;

(3) Either (i) moneys 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) Federal 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 the Resolution, which Federal Securities and moneys shall be held in trust and used only as provided in the Resolution; and

(4) Such further documents and moneys as are required by the provisions of the Resolution or any Supplemental Resolution or Series Certificate authorizing such Refunding Bonds.

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 205 of the Bond Resolution)

Adjustment of Sinking Fund Installments Upon Redemption.

Upon any purchase or redemption (other than mandatory sinking fund redemption) of Bonds of any Series and maturity for which sinking fund redemptions 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 so credited.

(Section 407 of the Bond Resolution)

The Pledge Effected by the Resolution.

The Bonds are special obligations of the Authority payable solely from the Pledged Property. In addition, Reserve Fund Bonds, if any, are payable from the Debt Service Reserve Fund. There is pledged and assigned as security for the payment of the Authority's Bond Payment Obligations and, to the extent provided in the Resolution and in the Supplemental Resolution or Series Certificate authorizing any Series of Bonds, the Authority's Financing Facility Payment Obligations in accordance with the priorities set forth in the Resolution and the Supplemental Resolution or Series Certificate authorizing such Series of Bonds, 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, all of the Pledged Property and (a) additionally with respect to each Series of Reserve Fund Bonds, if any, the Account in the Debt Service Reserve Fund established for such Series of Reserve Fund Bonds, and (b) with respect to each Series of Bonds with respect to which the Authority has obtained a Financing Facility, the applicable Financing Facility and Financing Facility Revenues.

All Pledged Property and, if any, the Debt Service Reserve Fund and the Financing Facility Revenues shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of the 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.

Nothing contained in the foregoing paragraphs 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 Pledged Property and the Debt Service Reserve Fund, including, without limitation, bonds, notes or other obligations secured by federal or State grants.

Notwithstanding the pledge effected by the Resolution or any provision of the Resolution, all amounts payable under the State Contract by the State or Treasurer shall be subject to and dependent upon appropriations made from time to time for such purposes by the New Jersey State Legislature.

(Section 501 of the Bond Resolution)

Establishment of Funds and Accounts.

The Resolution establishes the following Funds and Accounts:

- (1) Transportation Improvement Fund, to be held by the Authority;
- (2) Debt Service Fund, to be held by the Trustee;
- (3) Debt Service Reserve Fund;
- (4) Subordinated Debt Fund, to be held by the Trustee;
- (5) Authority Reserve Fund, to be held by the Authority; and
- (6) Rebate Fund, to be held by the Trustee.

(Section 502 of the Bond Resolution)

Transportation Improvement Fund.

There shall be paid into the Transportation Improvement Fund the 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 Transportation 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 Improvement Fund shall be applied to pay State Transportation System Costs.

All Revenues shall be promptly deposited by the Authority upon receipt thereof into the Transportation Improvement Fund. All amounts deposited in the Transportation Improvement Fund shall be used and applied by the Authority in accordance with the Act, the Resolution and any Supplemental Resolution or Series Certificate.

(Section 503 of the Bond Resolution)

Payments into Certain Funds.

On or before each Payment Date with respect to each Series of Bonds, the Authority shall pay, credit or transfer from the Transportation Improvement Fund to the Trustee the following amounts to be applied in the following order of priority:

(a) for deposit to the 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; 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 for such Payment Date.

The Authority shall pay, credit or transfer from the Transportation Improvement Fund to the Trustee for deposit into the Debt Service Fund the amount of any Financing Facility Payment Obligations on or before the due dates thereof.

Subject and subordinate at all times to the payments, credits or transfers required pursuant to the foregoing paragraphs, the Authority shall pay, credit or transfer from the Transportation Improvement Fund to the Trustee for deposit into the 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.

There shall be paid into the Authority Reserve Fund the amounts required to be so paid by the provisions of the Resolution or any Supplemental Resolution or Series Certificate.

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.

All Financing Facility Revenues shall be deposited in the 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.

The Authority and the Trustee shall transfer to the Rebate Fund such amounts, from such Funds and Accounts and at such times as shall be specified in each arbitrage and tax compliance 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 of the Bond Resolution)

Debt Service Fund.

The Trustee shall payout of the Debt Service Fund to the respective Paying Agents (i) on or before each Interest Payment Date for any of the Bonds, the amount required for the interest payable on such date; (ii) on or before the date when the principal of any Bonds shall become due, the amount of principal coming due on such date; and (iii) on or before any redemption date for the Bonds, the amount required for the payment of the Redemption Price of and interest on the Bonds then to be redeemed. In the case of Variable Interest Rate Bonds the Authority shall furnish the Trustee with a certificate setting forth the amount to be paid on such Bonds on each Interest Payment Date, and such certificate shall be furnished on or prior to the Record Date with respect to any Interest Payment Date. Such amounts shall be applied by the Paying Agents on and after the due dates thereof. The Trustee shall also payout of the Debt Service Fund the accrued interest included in the purchase price of Bonds purchased for retirement.

Amounts may be deposited by the Authority, in its sole discretion, in the 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 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 paragraph 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 Reserve Fund.

The amount, if any, deposited in the Debt Service Fund from the proceeds of each Series of Bonds shall be set aside in such Fund and applied to the payment of interest on the Bonds of such Series (or Refunding Bonds issued to refund such Bonds) as the same become due and payable.

In the event of the refunding of any Bonds, the Trustee shall, if the Authority so directs, withdraw from the 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 the Resolution.

The Trustee shall establish within the 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 sub accounts within the Account established for the Bonds of such Series in the Debt Service Fund for the receipt and/or application of Financing Facility Revenues and the payment of the applicable Financing Facility Payment Obligations.

Debt Service Reserve Fund.

The Trustee shall establish within the Debt Service Reserve Fund a separate Account for each Series of Reserve Fund Bonds, if any. If on any Payment Date with respect to any Series of Reserve Fund Bonds, payment in full of the principal or Redemption Price of and interest on such Bonds coming due on such Payment Date has not been made or provided for after giving effect to the transfers to the Debt Service Fund provided for in the Resolution, the Trustee shall forthwith withdraw from the Account established for such Reserve Fund Bonds in the Debt Service Reserve Fund an amount which, together with amounts on deposit in the Debt Service Fund available for such payment, shall be sufficient to make such payment in full, and such amount so withdrawn shall be transferred to the appropriate Paying Agent for application to such payment.

Whenever the amount in the Debt Service Reserve Fund, together with the amount in the Debt Service Fund is sufficient to pay in full all Outstanding Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), the funds on deposit in the Debt Service Reserve Fund shall be transferred to the Debt Service Fund and shall be available to pay all Outstanding Bonds.

In lieu of the required transfers to the Debt Service Reserve Fund, the Authority may cause to be deposited into the Debt Service Reserve Fund a surety bond or an insurance policy for the benefit of the holders of the Reserve Fund Bonds or a letter of credit in an amount equal to the difference between the Debt Service Reserve Requirement and the sums then on deposit in the Debt Service Reserve Fund, if any. The surety bond, insurance policy or letter of credit shall be payable (upon the giving of notice as required thereunder) on any due date on which moneys will be required to be withdrawn from the Debt Service Reserve Fund and applied to the payment of principal or Redemption Price of or interest on any Reserve Fund Bonds and such withdrawal cannot be met by amounts on deposit in the Debt Service Reserve Fund or provided from any other Fund under the Resolution. The insurer providing such surety bond or insurance policy shall be (i) an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues, results in such issues being rated by the Rating Agencies the ratings then assigned or to be assigned to the applicable Series of Reserve Fund Bonds or necessary for such Series of Reserve Fund Bonds to obtain such ratings, or (ii) any insurer which holds the highest policy holder rating accorded insurers by A.M. Best & Co. (or any comparable service) and that policy holder rating accorded such insurers by each Rating Agency then maintaining a rating on the applicable Series of Reserve Fund Bonds which is necessary to obtain or maintain the ratings assigned or to be assigned to the applicable Series of Reserve Fund Bonds. The letter of credit issuer shall be a bank or trust company which is rated, or the letter of credit itself shall be rated, in the rating category of the Rating Agencies as shall be necessary to maintain or obtain, as the case may be, the ratings then assigned or to be assigned to the applicable Series of Reserve Fund Bonds. If a disbursement is made pursuant to a surety bond, an insurance policy or a letter of credit provided pursuant to this paragraph, the Authority shall be obligated either (i) to reinstate the maximum limits of such surety bond, insurance policy or letter of credit or (ii) to deposit into the Debt Service Reserve Fund, funds in the amount of the disbursement made under such surety bond, insurance policy or letter of credit, or a combination of such alternatives, as shall provide that the amount in the Debt Service Reserve Fund equals the Debt Service Reserve Requirement. In the event that the rating attributable to any insurer providing any surety bond or insurance policy or any bank or trust company providing any letter of credit held as above provided in the Debt Service Reserve Fund shall fall below that required as above provided, the Authority shall use its best efforts to replace, as soon as possible, such surety bond, insurance policy or letter of credit with a surety bond, insurance policy or letter of credit which shall meet the above provided requirements.

In the event of the refunding of any Reserve Fund Bonds, the Trustee shall, if the Authority so directs, withdraw from the Account established for such Bonds in the Debt Service Reserve Fund all, or any portion of, the amounts accumulated therein with respect to the Reserve Fund 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 Reserve Fund Bonds to be refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter the Reserve Fund Bonds to be refunded shall be deemed to have been paid pursuant to the Resolution, and (b) the amount remaining in the Debt Service Reserve Fund, after giving effect to the issuance of the Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the Debt Service Reserve Requirement on all Reserve Fund Bonds which are not being refunded.

(Section 507 of the Bond Resolution)

Subordinated Debt Fund.

Subject to the following paragraph, the Trustee as directed by the Authority shall apply amounts in the 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 in accordance with the provisions of, and subject to the priorities and limitations and restrictions provided in, the Supplemental Resolution or other resolution or debt instrument authorizing each issue of Subordinated Debt.

If on any Payment Date for any Series of Bonds, the amount on deposit in the Debt Service Fund shall be less than the Debt Service coming due on such Payment Date with respect to such Series of Bonds after giving effect to the transfer to the Debt Service Fund from the Authority Reserve Fund as provided for in the Resolution, upon direction by the Authority, the Trustee shall forthwith transfer from the Subordinated Debt Fund for deposit in the Debt Service Fund the amount necessary (or all moneys in the Subordinated Debt Fund, if necessary) to make up such deficiency.

If at any time the amount on deposit in the Debt Service Reserve Fund shall be less than the Debt Service Reserve Requirement on all Series of Reserve Fund Bonds after giving effect to the transfer to the Debt Service Reserve Fund provided for in the Resolution, if any, and the amounts on deposit in the Subordinated Debt Fund are not needed for transfer to the Debt Service Fund pursuant to the foregoing paragraph, the Trustee shall forthwith transfer from the Subordinated Debt Fund for deposit in the Debt Service Reserve Fund the amount necessary (or all moneys in said Subordinated Debt Fund, if necessary) to make up such deficiency.

(Section 508 of the Bond Resolution)

Authority Reserve Fund.

Amounts credited to the Authority 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 Reserve Fund may be (i) transferred to the Transportation 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.

If on any Payment Date with respect to any Series of Bonds the amount on deposit in the 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 Reserve Fund to the Trustee for deposit in the Debt Service Fund the amount necessary (or all moneys in said Authority Reserve Fund, if necessary) to make up such deficiency.

If at any time the amount on deposit in the Debt Service Reserve Fund shall be less than the Debt Service Reserve Requirement on all Series of Reserve Fund Bonds, and the amounts on deposit in the Authority Reserve Fund are not needed for transfer to the Debt Service Fund pursuant to the foregoing paragraph, the Authority shall forthwith transfer from the Authority Reserve Fund to the Trustee for deposit in the Debt Service Reserve Fund the amount necessary (or all moneys in said Authority Reserve Fund, if necessary) to make up such deficiency.

(Section 509 of the Bond Resolution)

Rebate Fund.

The Authority and the Trustee shall deposit amounts in the 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 compliance 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 509A of the Bond Resolution)

Subordinated Debt.

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 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 any Financing Facility Payment Obligations which are secured on a parity with the Bonds.

The Authority may also, at any time or from time to time, issue Subordinated Debt to refund any Subordinated Debt issued as provided in Section 511 of the Bond Resolution 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.

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 Funds held under the Resolution (referred to in Section 511 of the Bond Resolution 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 an 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 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.

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 511 of the Bond Resolution)

Investment of Certain Funds.

Moneys held in the Debt Service Fund and the Debt Service Reserve Fund shall be invested and

reinvested by the Trustee to the fullest extent practicable in Federal Securities which mature, (a) in the case of moneys held in the Debt Service Reserve Fund without restriction as to time, and (b) in the case of moneys held in the Debt Service Fund 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 Improvement Fund, the Subordinated Debt Fund and the Authority 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.

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 Debt Service Fund shall be held for the benefit of the Transportation Improvement Fund and shall be paid into the Transportation 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 Debt Service Fund shall be held in such Fund for the purposes thereof.

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.

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 603 of the Bond Resolution)

Swap Agreements; Financing Facilities.

Whenever the Authority desires to enter into a Swap Agreement, it shall give notice to each Rating Agency of its intent and shall provide to the Rating Agency copies of the proposed Swap Agreement and any other documentation or information reasonably requested by the Rating Agency at least fifteen (15) days prior to entering into such an agreement so that the Rating Agency may comment on the proposed Swap Agreement and indicate the effect of such agreement on the rating assigned by that Rating Agency to any Series of Bonds. Any proposed Swap Provider must be assigned a rating by each Rating Agency which has assigned or will assign a rating to the applicable Series of Bonds of (a) at least A, or (b) such higher rating as any such Rating Agency shall then require in order to obtain or maintain the rating then assigned or to be assigned to the applicable Series of Bonds.

Any Swap Agreement shall provide that, if the rating assigned by a Rating Agency to the Swap Provider shall be withdrawn or shall be lowered below the required minimum, the Authority shall have the option of (i) declaring a termination event under such agreement; or (ii) requiring the Swap Provider to post collateral or a guaranty or other surety sufficient to satisfy the minimum rating requirement.

Prior to obtaining any Financing Facility, the Authority shall give each Rating Agency notice of its intent to do so and shall provide to the Rating Agency copies of the Financing Facility, any

reimbursement or purchase agreement relating thereto and any other documentation or information reasonably requested by the Rating Agency at least fifteen (15) days prior to obtaining the Financing Facility so that the Rating Agency may comment on the proposed Financing Facility and indicate the effect of such Financing Facility on the rating assigned by the Rating Agency to any Series of Bonds.

(Section 605 of the Bond Resolution)

Revenue Contracts.

The Authority shall collect and forthwith cause to be deposited with a Depository in the Transportation Improvement Fund all amounts, if any, payable to it pursuant to the Revenue Contracts. The Authority shall enforce the provisions of the Revenue Contracts and agreements thereunder. The Authority will not consent or agree to or permit any amendment, change or modification to any Revenue 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 each of the Revenue Contracts 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 of the Bond Resolution)

Events of Default.

The following events shall constitute an Event of Default under the Resolution:

(i) if default shall be made in the due and punctual 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 due and punctual 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 due and punctual payment of principal, interest or any other amounts payable in connection with any Subordinated Debt;

(iv) if default shall be made by the Authority in the performance or observance of any other covenants, agreements or conditions on its part in the Resolution or in the Bonds contained, and such default shall continue for a period of sixty (60) days after written notice thereof to the Authority by the Trustee or to the Authority and to the Trustee by the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds Outstanding;

(v) if the Authority shall commence a voluntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or shall authorize, apply for or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official and/or its rents, fees, charges or other revenues therefrom, or shall make any general assignment for the benefit of creditors, or shall make a written declaration or admission to the effect that it is unable to meet its debts as such debts mature, or shall authorize or take any action in furtherance of any of the foregoing;

(vi) if a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Authority in an involuntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or a decree or order appointing a receiver,

liquidator, assignee, custodian, trustee, sequestrator or similar official for the Authority, and/or the rents, fees, charges or other revenues therefor, or a decree or order for the dissolution, liquidation or winding up of the Authority and its affairs or a decree or order finding or determining that the Authority is unable to meet its debts as such debts mature, and any such decree or order shall remain unstayed and in effect for a period of sixty (60) consecutive days; or

(vii) if, pursuant to the terms of any Financing Facility, the Trustee shall receive a notice from the issuer of such Financing Facility stating that an event of default has occurred in respect of the Authority's obligations under such Financing Facility and directing the Trustee to declare the principal of and interest on the applicable Bonds to be immediately due and payable.

Upon the occurrence of an Event of Default, and so long as such Event of Default shall not have been remedied, unless the principal of all the Bonds shall have already become due and payable, the Trustee may, and at the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds Outstanding shall, declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in the Resolution or in any of the Bonds contained to the contrary notwithstanding. The right of the Trustee to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of principal, Redemption Price and interest upon the Bonds, together with interest on such overdue installments to the extent permitted by law and the reasonable and proper fees, charges, expenses and liabilities of the Trustee, and all other sums then payable by the Authority under the Resolution (except the principal of, and interest accrued since the next preceding Payment Date on the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Authority or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Bonds or under the Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Holders of twenty-five percent (25%) in principal amount of the Bonds Outstanding, by written notice to the Authority and the Trustee, may rescind such declaration and annul such default in its entirety, or, if the Trustee shall have acted itself, and if there shall not have been theretofore delivered to the Trustee written direction to the contrary by the Holders of twenty-five percent (25%) in principal amount of the Bonds Outstanding, then any such declaration shall *ipso facto* be deemed to be rescinded and any such default shall *ipso facto* be deemed to be annulled, but no such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

Notwithstanding the foregoing, and unless otherwise provided in the applicable Supplemental Resolution or Series Certificate, if an Event of Default described in subsection (ii) above shall occur by reason of the failure by any Swap Provider to make any payment to the Authority or to the Trustee when due as required pursuant to the terms of the applicable Swap Agreement, neither the Trustee nor the Bondholders shall have any right to declare an acceleration of the Bonds as aforesaid unless and until there shall occur an early termination of the applicable Swap Agreement. If such Event of Default is cured (including, to the extent permitted by law, the payment of interest on overdue payments to the extent provided in the applicable Swap Agreement) prior to such early termination date (or on such date if the cure is effected by entering into a substitute Swap Agreement), no acceleration shall be declared with respect to such Event of Default and the Bonds shall remain Outstanding and in full force and effect.

(Section 801 of the Bond Resolution)

Application of Pledged Property and Debt Service Reserve Fund After Default.

The Authority covenants that if an Event of Default shall occur and shall not have been remedied, the Authority, upon the demand of the Trustee, shall pay over or cause to be paid over to the Trustee (a) forthwith, all Pledged Property then held by the Authority under the Resolution, (b) the Debt Service Reserve Fund, and (c) all revenues which are not paid directly to the Trustee as promptly as practicable after receipt thereof.

During the continuance of an 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 Article VIII of the Resolution together with all Funds held by the Trustee under the Resolution (other than the Debt Service Reserve Fund and the Rebate Fund) as follows and in the following order:

(i) Expenses of Fiduciaries -- to the payment of the reasonable and proper fees (including reasonable attorneys' fees), charges, expenses and liabilities of the Fiduciaries;

(ii) Principal or Redemption Price and Interest -- to the payment of the interest and principal or Redemption Price then due on the Bonds, as follows:

(a) unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: Interest -- To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; provided, however, that with respect to any Related Swap Bonds, interest shall be calculated at the effective fixed rate of interest (as set forth in the applicable Series Certificate and Swap Agreement) to be paid by the Authority by reason of the operation of the applicable Swap Agreement, and shall be applied, pro rata, to the payment of interest on such Related Swap Bonds at the actual rate of interest then in effect and Swap Payment Obligations payable by the Authority (including Swap Termination Payments) under such Swap Agreement; and

Second: Principal or Redemption Price -- To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds 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 the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; provided, however, that amounts which would otherwise be payable in respect of the principal of any Related Swap Bonds will be applied, pro rata, to the payment of such principal and to the payment of any Swap Termination Payments payable by the Authority if so provided in the applicable Swap Agreement;

(b) if the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of

interest specified in the Bonds; provided, however, that with respect to any Related Swap Bonds, interest shall be calculated at the fixed rate of interest (as set forth in the applicable Series Certificate and Swap Agreement) to be used in determining the Authority's Bond Payment Obligations in respect of the Related Swap Bonds and shall be applied, together with all amounts which would otherwise be payable in respect of the principal of any Related Swap Bonds, pro rata, to the payment of the principal of and interest on such Related Swap Bonds at the actual rate of interest then in effect and Swap Payment Obligations (including Swap Termination Payments) under such Swap Agreement.

(c) 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.

During the continuance of an Event of Default and after application of the Pledged Property as provided above, the Trustee shall apply each Account in the Debt Service Reserve Fund to the extent necessary to make up any deficiency in the payment of Fiduciary expenses and in the payment of principal or Redemption Price of or interest on Reserve Fund Bonds, as follows and in the following order:

(i) Expenses of Fiduciaries -- to the payment of the reasonable and proper fees (including reasonable attorneys' fees), charges, expenses and liabilities of the Fiduciaries;

(ii) Principal or Redemption Price and Interest -- to the payment of the interest and principal or Redemption Price then due on the applicable Reserve Fund Bonds, as follows:

(a) unless the principal of all of such Reserve Fund Bonds shall have become due or have been declared due and payable,

First: Interest -- To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Reserve Fund Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: Principal or Redemption Price -- To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Reserve Fund Bonds 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 the Reserve Fund Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference;

(b) if the principal of all of the Reserve Fund Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Reserve Fund Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Reserve Fund Bond over any other Reserve Fund Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Reserve Fund Bonds.

During the continuance of an Event of Default, but subject and subordinate to the amounts required to be paid pursuant to the first two paragraphs under this subheading, and only after all amounts required to be paid pursuant to the first two paragraphs under this subheading 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 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, by declaration or otherwise 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 803 of the Bond Resolution)

Proceedings Brought by Trustee.

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.

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.

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.

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.

Regardless of the happening 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 804 of the Bond Resolution)

Restrictions on Bondholder's Action.

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 happening of an Event of Default, as provided in Article VIII of the Resolution, 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 of New Jersey 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 attorneys' 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 the Resolution.

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 805 of the Bond Resolution)

Trustee; Paying Agents.

The Resolution requires the appointment by the Authority of a Trustee and one or more Paying Agents (which may include the Trustee). The Trustee may at any time resign by giving not less than ninety (90) days' written notice to the Authority and mailing notice thereof to the Holders of Bonds then Outstanding, may be removed at any time with or without cause by the Holders of a majority in principal

amount of the Bonds then Outstanding and may be removed at any time with or without cause by the Authority. Any Paying Agent may at any time resign by giving at least sixty (60) days' written notice to the Authority, the Trustee and the other Paying Agents and 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 Trustee or Paying Agent must 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 \$50,000,000.

(Sections 901, 902, 907, 908, 909 and 913 of the Bond Resolution)

Supplemental Resolutions.

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 n of the Resolution, 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 coupon Bonds registrable as to principal only and, in connection therewith, specify and determine the matters and things relative to the issuance of such coupon Bonds, including provisions relating to the timing and manner of provision of any notice required to be given under the Resolution to the Holders of such coupon 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 coupon Bonds;
- (6) 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 in the Resolution, not adverse to the rights of the Holders of the Bonds, 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;

(7) 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 or the Debt Service Reserve Fund and to pledge any additional revenues, moneys, securities, Financing Facilities or other agreements;

(8) 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 Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof; and

(9) To authorize the issuance of Subordinated Debt in accordance with the Resolution and the Act.

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.

(Sections 1001 and 1002 of the Bond Resolution)

Amendments; Consent.

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 the following paragraph, of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given; 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 Section 1102 of the Bond Resolution. No such modification or amendment shall permit a change in the terms of redemption 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 Section 1102 of the Bond Resolution, 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.

The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the foregoing paragraph to take effect when and as provided in this paragraph. 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 paragraph 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 the foregoing paragraph, (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 paragraph 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. 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 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 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 paragraph 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. 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 paragraph, 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 paragraph 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 paragraph 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.

(Sections 1102 and 1103 of the Bond Resolution)

Defeasance.

If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds 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 in the Resolution, then the pledge of the Pledged Property, Debt Service Reserve Fund, 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 and the Debt Service Reserve Fund, 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.

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 the foregoing paragraph. Subject to the provisions of the third through sixth paragraphs under this subheading, 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 the foregoing paragraph 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 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 in an amount which shall be sufficient, or Federal Securities (including any Federal 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 and stating such maturity or redemption date upon which moneys are expected, subject to the sixth paragraph under this subheading, 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 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 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 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 Federal 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 Federal 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 Federal 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 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 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. 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 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 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 the total amount of moneys and Federal Securities remaining on deposit with the Trustee 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 paragraph, 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. Except as otherwise provided in the third through sixth paragraphs under this subheading, neither Federal Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Federal 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 Federal 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 Federal 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 Section 1201 of the Bond Resolution, Federal Securities shall mean and include only (A) Federal Securities which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof, (B) Federal 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 the fifth paragraph under this subheading, Federal Securities which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

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 Federal Securities and moneys, if any, in accordance with the second sentence of the foregoing paragraph, 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 Federal 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 the foregoing paragraph, 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.

Federal Securities described in clause (C) of the second paragraph under this subheading may be included in the Federal Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of the second paragraph under this subheading only if the determination as to whether the moneys and Federal 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, the principal and Redemption Price, if applicable, and interest on the Bonds which will be deemed to have been paid is made both (i) on the assumption that the Federal 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 Federal 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 Federal Securities and that the proceeds of such redemption would not be reinvested by the Trustee.

In the event that after compliance with the provisions of the foregoing paragraph, the Federal Securities described in clause (C) of the second paragraph under this subheading are included in the Federal Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of the second paragraph under this subheading and any such Federal 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 Federal 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 the following paragraph, shall at all times be sufficient to satisfy the requirements of clause (b) of the second paragraph under this subheading, shall reinvest the proceeds of such redemption in Federal Securities.

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 upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption.

Option Bonds shall be deemed to have been paid in accordance with the second sentence of the second paragraph under this subheading, 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 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 the second paragraph under this subheading, 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 paragraph. 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.

Related Swap Bonds and the Authority's Swap Payment Obligations under the applicable Swap Agreements shall be deemed to have been paid if (a) there shall have been deposited with the Trustee moneys and Federal Securities of the type described in the second paragraph under this subheading 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 Federal Securities deposited with the Trustee pursuant to this paragraph nor principal or interest payments on any such Federal 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 (i) and (ii) above; provided that any cash received from such principal or interest payments on such Federal Securities deposited with the Trustee, if not then needed for such purpose, shall to the extent practicable, be reinvested in Federal 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 (i) and (ii) above, 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 Federal Securities may be sold, transferred, redeemed or otherwise disposed of and the proceeds thereof applied to the purchase of other Federal Securities of the type permitted for this purpose, the principal of and interest on which, when due, together with moneys and other Federal Securities then held by the Trustee for such purpose, shall be sufficient to make the payments set forth in subsections (i) and (ii) above. Notwithstanding the defeasance of any Bonds and discharge of the lien of the Resolution, during the term of any Swap Agreement for which the Related Swap Bonds have been defeased, the Trustee shall, subject to the foregoing provisions, hold and apply (i) the Federal Securities deposited with it as provided in Section 505 of the Resolution, and (ii) all payments from the Swap Provider under the applicable Swap Agreement as Swap Revenues pursuant to Section 506 of the Resolution. 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.

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 (2) 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 (2) 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 (7) 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.

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 1201 of the Bond Resolution)

APPENDIX III
FORM OF THE FOURTH AMENDED AND RESTATED STATE CONTRACT

APPENDIX IV
FORM OF THE CONTINUING DISCLOSURE AGREEMENT

APPENDIX V
FORM OF OPINION OF BOND COUNSEL

APPENDIX VI
BOOK-ENTRY ONLY SYSTEM

APPENDIX VI

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix VI concerning The Depository Trust Company ("DTC") and DTC's book-entry only system has been provided by DTC. Accordingly, the Authority takes no responsibility for the accuracy or completeness of such information and neither the DTC Participants nor the Beneficial Owners should rely on such information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

DTC will act as Securities Depository for the 2018 Series A Bonds. The 2018 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. One fully registered certificate will be issued for each maturity and, if applicable, interest rate within a maturity of the 2018 Series A Bonds in the aggregate principal amount of each such maturity and, if applicable, interest rate within the 2018 Series A Bonds, and will be deposited with DTC.

DTC, the world's largest securities 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. DTC 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.

Purchases of 2018 Series A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2018 Series A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2018 Series A Bond ("Beneficial Owner") is in turn to be recorded on the Direct Participants' 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 transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2018 Series A Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2018 Series A Bonds, except in the event that use of the book-entry system for the 2018 Series A Bonds is discontinued.

To facilitate subsequent transfers, all 2018 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 2018 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 2018 Series A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2018 Series A Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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 the 2018 Series A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2018 Series A Bonds, such as redemptions, tenders, defaults and proposed amendments to the 2018 Series A Bonds documents. For example, Beneficial Owners of the 2018 Series A Bonds may wish to ascertain that the nominee holding the 2018 Series A Bonds for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2018 Series A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2018 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 2018 Series A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the 2018 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 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 the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments 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 Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2018 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, 2018 Series A Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2018 Series A Bond certificates will be printed and delivered to DTC.

NONE OF THE AUTHORITY, THE TRUSTEE OR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION, EITHER SINGULARLY OR JOINTLY, TO DTC PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE HOLDERS OF THE 2018 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 2018 SERIES A BONDS; (IV) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT/INTEREST OF A PARTIAL REDEMPTION OF THE 2018 SERIES A BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE HOLDER OF THE 2018 SERIES A BONDS; OR (VI) ANY OTHER MATTER.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF ALL OF THE 2018 SERIES A BONDS, REFERENCES IN THIS APPENDIX VI TO THE OWNERS, HOLDERS, OR REGISTERED OWNERS OF THE 2018 SERIES A BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2018 SERIES A BONDS.

APPENDIX VII
PRELIMINARY LIST OF BONDS TO BE REFUNDED

PRELIMINARY LIST OF BONDS TO BE REFUNDED*

<u>Series</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
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* Preliminary, subject to change.

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (the "Disclosure Agreement") is made as of the ____ day of _____, 2018, 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 U.S. 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 Thirtieth Supplemental Transportation System Bond Resolution adopted by the Authority on May __, 2018, and a Series Certificate of the Authority, dated as of _____, 2018 (collectively, the "Resolution"). This Disclosure Agreement is entered into in connection with the issuance and sale of the Authority's \$ _____ Transportation System Bonds, 2018 Series A (the "2018 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 2018 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 2018 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:

"Annual Report" shall mean the Annual Report provided pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Continuing Disclosure Information" shall mean, collectively, (i) each Annual Report, (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 Event" or "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.

"Official Statement" means the Official Statement, dated _____, 2018, prepared in connection with the offering and sale of the 2018 Series Bonds.

“Opinion of Counsel” shall mean a written opinion of counsel expert in federal securities law acceptable to the Treasurer and the Authority, which may be counsel or bond counsel to 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 2018 Series Bonds.

SECTION 3. Provision of the Annual Report.

(a) The Treasurer shall, no later than March 15, 2019 and March 15 of each year during which any of the 2018 Series Bonds remain Outstanding, provide to the Dissemination Agent the 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 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 Annual Report and later than the date required herein for the filing of the 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 Annual Report. Each 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 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 required 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 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 Annual Report received by it to the MSRB in accordance with the Rule.

(c) If the Treasurer fails to submit the 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 Annual Report to the Dissemination Agent by the last Business Day of the month in which such 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 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 Annual Report directly to the MSRB not 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 Annual Report directly to the MSRB, the Treasurer shall, at the same time, submit the Annual Report to the Dissemination Agent together with evidence that such 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 Annual Report directly to the MSRB, the Treasurer shall provide the 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 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 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 Annual Report.

(a) 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 2018 Series Bonds: "STATE FINANCES," "FINANCIAL RESULTS AND ESTIMATES," "TAX AND REVENUE ANTICIPATION NOTES," "LONG-TERM OBLIGATIONS," "MORAL OBLIGATIONS," "STATE EMPLOYEES," "STATE FUNDING OF 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:

- (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 2018 Series Bonds, or other material events affecting the tax status of the 2018 Series Bonds;
- (7) Modifications to rights of Bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances of the 2018 Series Bonds;
- (10) Release, substitution or sale of property securing repayment of the 2018 Series Bonds, if material;
- (11) Rating changes relating to the 2018 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 2018 Series Bonds or the change of name of a trustee for the 2018 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. 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 2018 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.

(e) Each notice of a Listed Event relating to the 2018 Series Bonds shall include the CUSIP numbers of the 2018 Series Bonds to which such notice relates or, if the notice relates to all bond issues of the Authority including the 2018 Series Bonds, such notice need only include the base CUSIP number of the Authority.

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 2018 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 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 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 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 2018 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, 5th Floor
P.O. Box 005
Trenton, New Jersey 08625

Attn: Director, Office of Public Finance

(iii) If to the Dissemination Agent:

U.S. Bank National Association
21 South Street
Morristown, New Jersey 07960
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.

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

By: _____
ELIZABETH MAHER MUOIO
State Treasurer

**NEW JERSEY TRANSPORTATION
TRUST FUND AUTHORITY**

By: _____
GARY BRUNE
Executive Director

**U.S. BANK NATIONAL ASSOCIATION,
as Dissemination Agent**

By: _____
PAUL O'BRIEN
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, 2018 Series _

Date of Issuance
of the affected issues: _____, 2018

NOTICE IS HEREBY GIVEN that the Treasurer of the State of New Jersey has not provided a Annual Report with respect to the above-named Bond issue as required by Section 3 of the Continuing Disclosure Agreement dated as of _____, 2018 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 Annual Report will be filed by _____.]

Dated: _____

**U.S. BANK NATIONAL ASSOCIATION,
as Dissemination Agent**

By: _____
Name:
Title:

cc: Treasurer
Authority

McCarter & English, LLP

Draft #3

Dated: May 10, 2018

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

and

**U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent**

ESCROW DEPOSIT AGREEMENT

Dated: _____, 2018

ESCROW DEPOSIT AGREEMENT

This **ESCROW DEPOSIT AGREEMENT**, dated _____, 2018 (this "Agreement"), by and between the NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY (the "Authority"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, having a corporate trust office and place of business in Morristown, New Jersey, as Trustee under the hereinafter defined Resolution and as escrow agent hereunder (the "Escrow Agent").

W I T N E S S E T H:

WHEREAS, the Authority has previously issued its currently outstanding Transportation System Bonds more fully described on Schedule A attached hereto and made a part hereof (collectively, the "Refunded Bonds"); and

WHEREAS, the Refunded Bonds were issued under and pursuant to the 1995 Transportation System Bond Resolution adopted by the Authority on June 15, 1995, as amended and supplemented to the date hereof (the "Resolution"); and

WHEREAS, on the date hereof, the Authority is issuing \$_____ aggregate principal amount of its Transportation System Bonds, 2018 Series _ (the "Refunding Bonds"), under and pursuant to the Resolution for the purpose, among others, of providing the funds necessary to refund and defease the Refunded Bonds;

WHEREAS, the pledge and lien of the Resolution in favor of the Refunded Bonds may be discharged and satisfied by the deposit in trust with the Trustee under the Resolution of moneys in an amount which shall be sufficient, or Federal Securities (as defined in the Resolution) the principal of and interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with such Trustee at the same time, shall be sufficient, to pay the principal or redemption price, if applicable, of and interest due and to become due on the Refunded Bonds; and

WHEREAS, the Escrow Agent is the duly appointed and acting Trustee under the Resolution authorized to accept deposit of the Federal Securities and moneys required to discharge and satisfy the pledge and lien of the Resolution with respect to the Refunded Bonds; and

WHEREAS, in order to discharge the pledge and lien of the Resolution with respect to the Refunded Bonds by the proper and timely deposit and application of the Federal Securities and moneys (including investment income and earnings derived therefrom) required for payment of the Refunded Bonds and to furnish irrevocable instructions therefor, it is necessary to enter into this Escrow Deposit Agreement and to enter into certain covenants for the benefit of the holders from time to time of the Refunded Bonds.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants hereinafter set forth, the parties hereto agree as follows:

SECTION 1. In addition to words and terms elsewhere defined in this Agreement, capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Resolution. In addition, the following words and terms shall have the following meanings, unless some other meaning is plainly intended:

“Agreement” shall mean this Escrow Deposit Agreement, dated _____, 2018, by and between the Authority and the Escrow Agent.

“Authority” shall mean New Jersey Transportation Trust Fund Authority, a public body corporate and politic and an instrumentality of the State, created and existing under and by virtue of the New Jersey Transportation Trust Fund Authority Act of 1984, L. 1984, c. 73, as amended and supplemented.

“Escrow Agent” shall mean U.S. Bank National Association, and its successor or successors and any other corporation which may at any time be substituted in its place as Escrow Agent pursuant to this Agreement.

“Escrow Fund” shall mean the special fund designated as the 2018 Series _ Transportation System Escrow Fund which is established with the Escrow Agent pursuant to Section 2 of this Agreement.

“Federal Securities” shall mean any of the following securities which comply with the requirements of Paragraph 2 of Section 1201 of the Resolution: (i) any direct and general obligations of, or any obligations 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 (“Pre-Refunded Municipal Bonds”) which are fully secured as to principal and interest by an irrevocable pledge of moneys or direct and general obligations of, or obligations 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 Pre-Refunded Municipal Bonds, and (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.

“Payment Date” shall mean each Redemption Date and each June 15 and December 15 of each year when the principal or Redemption Price of or interest on the Refunded Bonds is due and payable.

“Redemption Date” shall mean each date set forth on **Schedule D** attached hereto and made a part hereof upon which a portion of the Refunded Bonds are to be redeemed prior to their stated maturity date.

“Refunded Bonds” shall mean, collectively, the Authority’s currently Outstanding Transportation System Bonds more fully described on **Schedule A** attached hereto and made a part hereof.

“Refunding Bonds” shall mean the Authority’s Transportation System Bonds, 2018 Series _ which are being issued on the date hereof pursuant to the Resolution for the purpose, among other things, of refunding and defeasing the Refunded Bonds.

“Resolution” shall mean the Authority’s 1995 Transportation System Bond Resolution adopted on June 15, 1995, as amended and supplemented, including as supplemented by the Thirtieth Supplemental Transportation System Bond Resolution adopted by the Authority on _____, 2018 and a Series Certificate of the Authority dated as of _____, 2018.

“Trustee” shall mean U.S. Bank National Association, and its successor or successors and any other corporation which may at any time be substituted in its place as Trustee pursuant to the Resolution.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. The word “person” shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate. Reference to a person other than a natural person shall include its successors.

SECTION 2. There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated as the “2018 Series _ Transportation System Escrow Fund” (the “Escrow Fund”). The Escrow Fund is to be held by the Escrow Agent as a trust fund for the benefit of the holders of the Refunded Bonds in accordance with the terms and provisions hereof. The Escrow Fund shall be held by the Escrow Agent separate and apart from all other funds of the Authority and the Escrow Agent. Simultaneously with the execution and delivery of this Agreement, the Authority has caused there to be deposited with the Escrow Agent, and the Escrow Agent hereby acknowledges receipt of, immediately available funds consisting of proceeds of the Refunding Bonds in the amount of \$_____, which amount shall be deposited by the Escrow Agent into the Escrow Fund.

SECTION 3. (a) The Escrow Agent shall immediately apply a portion of the moneys deposited into the Escrow Fund pursuant to Section 2 hereof to purchase, on the date hereof, the Federal Securities more fully described on **Schedule B** attached hereto and to deposit such Federal Securities into the Escrow Fund. The Escrow Agent shall hold the remaining balance of the moneys deposited into the Escrow Fund pursuant to Section 2 hereof uninvested.

(b) The Escrow Agent shall use the moneys on deposit in the Escrow Fund, together with the amounts, if any, received from the maturing principal of and interest on the Federal Securities on deposit in the Escrow Fund, to pay the principal or Redemption Price of and/or interest due on the Refunded Bonds on each Payment Date, all as set forth on **Schedule C** attached hereto. On each Payment Date, the Escrow Agent shall withdraw from the Escrow Fund the amounts necessary to pay the principal or Redemption Price of and/or interest due on the Refunded Bonds on such Payment Date and shall apply such amounts to the payment of the principal or Redemption Price of and/or interest due on the Refunded Bonds on such Payment Date.

(c) Based solely upon the verification report, dated the date hereof, issued by _____, the Authority represents and warrants to the Escrow Agent that the amounts to be received from the maturing principal of and interest on the Federal Securities described on **Schedule B** attached hereto, together with the other moneys on deposit in the Escrow Fund pursuant to Section 2 hereof, will be sufficient to pay the principal or Redemption Price of and/or interest due on the Refunded Bonds on each Payment Date for the Refunded Bonds as set forth on **Schedule C** attached hereto.

SECTION 4. The Escrow Agent shall, at the written direction of the Authority, invest and reinvest any moneys remaining from time to time in the Escrow Fund in Federal Securities which mature in amounts at least equal to their purchase price at or prior to the time such moneys are needed for the payment of the Refunded Bonds. All interest income received as a result of any investment in Federal Securities pursuant to this Section 4 shall be applied to the payment of the principal or Redemption Price of and interest on the Refunded Bonds coming due on each Payment Date. Notwithstanding the foregoing, the Escrow Agent shall not invest or reinvest any moneys remaining from time to time in the Escrow Fund, or enter into a float, forward purchase, escrow reinvestment or similar agreement with respect to uninvested moneys in the Escrow Fund, unless the Authority shall obtain and the Escrow Agent shall receive (a) an opinion of nationally recognized bond counsel, addressed to the Authority and the Escrow Agent, to the effect that making such investment or reinvestment or entering into such agreement would not cause any of the Refunding Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder in effect on the date of such investment and applicable to obligations issued on the issue date of the Refunding Bonds, and (b) if the Authority shall have obtained a rating on the Refunded Bonds based upon the Federal Securities on deposit in the Escrow Fund in accordance with this Agreement prior to such investment, reinvestment or the execution and delivery of such agreement, written confirmation from each rating agency then maintaining a rating on the Refunded Bonds that the making of such investment or reinvestment or the execution and delivery of such agreement will not cause a reduction or withdrawal of the rating then in effect on the Refunded Bonds. In the absence of any such instructions from the Authority pursuant to this Section 4 or Section 5 hereof, any moneys from time to time on deposit in the Escrow Fund, including amounts to be received from the maturing principal of and interest on the Federal Securities, shall be held uninvested until needed to pay the principal or Redemption Price of or interest due on the Refunded Bonds on each Payment Date. Investment earnings from reinvestments in Federal Securities made pursuant to this Section 4 which are not needed to pay the principal or Redemption Price of and interest on the Refunded Bonds coming due on each Payment Date shall be transferred to the Authority for deposit into the Transportation Improvement Fund free and clear of the lien of this Agreement.

SECTION 5. At the written request of the Authority and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power at any time and from time to time to sell, transfer, request the redemption of or otherwise dispose of the Federal Securities then on deposit in the Escrow Fund and to substitute other Federal Securities which are available for purchase with the proceeds derived from such disposition on the date of such transaction. The foregoing may be effected only if the Authority shall obtain and the Escrow Agent shall receive, at least one (1) Business Day prior to the settlement date of such substitution, (a) an opinion of nationally recognized bond counsel, addressed to the Authority and the Escrow Agent, to the

effect that such disposition and substitution would not cause any of the Refunding Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder in effect on the date of such disposition and substitution and applicable to obligations issued on the issue date of the Refunding Bonds, (b) a certification (the "Substitute Verification Report") from an independent certified public accountant addressed to the Authority and the Escrow Agent that, after such transaction, the principal of and interest on the Federal Securities in such Account of the Escrow Fund will, together with other moneys on deposit in the Escrow Fund which are available for such purpose, be sufficient to pay on each Payment Date and without any further investment, the principal or Redemption Price of and interest on the Refunded Bonds coming due on such Payment Date, (c) a certification from the Authority that its representation contained in Section 3 of this Agreement is and will remain accurate after giving effect to the proposed transaction, and (d) if the Authority shall have obtained a rating on the Refunded Bonds based upon the Federal Securities on deposit in the Escrow Fund in accordance with this Agreement prior to the proposed substitution, written confirmation from each rating agency then maintaining a rating on the Refunded Bonds that the proposed substitution of Federal Securities will not cause a reduction or withdrawal of the rating then in effect on the Refunded Bonds. On or prior to the settlement date of each substitution of Federal Securities permitted by this Section 5, the Authority shall provide the Escrow Agent with an appropriate revision to **Schedule B** attached hereto and made a part hereof to reflect any substitution of Federal Securities pursuant to this Section 5. Any funds remaining in the Escrow Fund following a substitution of Federal Securities pursuant to this Section 5, which, as shown in the Substitute Verification Report, are not needed to pay on each Payment Date and without any further investment, the principal or Redemption Price of and interest on the Refunded Bonds, shall, upon the written request of the Authority, be transferred to the Trustee for deposit to the Transportation Improvement Fund free and clear of the lien of this Agreement.

SECTION 6. The trust created by this Agreement shall be irrevocable and the holders of the Refunded Bonds shall have an express lien on, security interest in and an irrevocable pledge of all moneys and the principal of and interest due or to become due on all Federal Securities on deposit in the Escrow Fund until used and applied in accordance with this Agreement. As a result of the trust created hereby and the deposit of the moneys and the Federal Securities into the Escrow Fund described in Sections 2 and 3 hereof and the instructions to the Escrow Agent set forth in Section 8 hereof, the pledge of the Pledged Property, the Debt Service Reserve Fund, any Revenues, and other moneys and securities pledged under the Resolution and all covenants, agreements and other obligations of the Authority to the holders of the Refunded Bonds, have ceased, terminated and become void and are discharged and satisfied with respect to the Refunded Bonds and the Refunded Bonds are no longer entitled to any lien, benefit or security under the Resolution.

SECTION 7. The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to the terms and provisions of this Agreement, except for losses resulting from the Escrow Agent's negligence or misconduct. The liability of the Escrow Agent for the payment of the principal or Redemption Price of and interest on the Refunded Bonds shall be limited to the amounts deposited pursuant to this Agreement and the earnings thereon when invested in accordance with this Agreement. The Escrow Agent shall assert no lien whatsoever upon any of the moneys or Federal Securities on deposit in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement. The

Authority shall pay to the Escrow Agent, in accordance with the Escrow Agent's fee proposal, compensation for all services performed by it hereunder and all of its reasonable expenses, charges, and other disbursements and those of its attorneys, agents and employees, incurred in and about the administration and execution of the trusts hereby created, and the performance of its powers and duties hereunder. In addition, the provisions of paragraph 2 of Section 905 of the Resolution are incorporated herein by reference, shall apply to the performance by the Escrow Agent of its obligations under this Agreement, and shall survive the discharge and defeasance of the Resolution with respect to the Refunded Bonds.

SECTION 8. The Escrow Agent is hereby directed to mail, in the name of the Authority, as soon as practicable after the execution of this Agreement, to The Depository Trust Company ("DTC"), as the registered holder of the Refunded Bonds, at its address as it appears in the registry books, a notice of defeasance of the Refunded Bonds in substantially the form of **Exhibit A** attached hereto and made a part hereof. The Escrow Agent shall be entitled to add such provisions to such notice which it deems appropriate. The Escrow Agent is hereby directed to provide DTC with written notice of the defeasance of the Refunded Bonds in accordance with the Blanket Issuer Letter of Representations, dated July 17, 1995, by and between the Authority and DTC (the "Letter of Representations") executed in connection with all bonds issued or to be issued by the Authority, including the Refunded Bonds. Any notice of defeasance of the Refunded Bonds sent by the Escrow Agent to DTC in accordance with this paragraph shall also be filed by the Escrow Agent with the Municipal Securities Rulemaking Board in accordance with the continuing disclosure agreement(s) relating to the Refunded Bonds.

The Escrow Agent is also hereby irrevocably instructed and the Escrow Agent hereby agrees: (i) to take all steps that are necessary or required under the Resolution to cause each of the Refunded Bonds to be redeemed on the respective Redemption Date for such Refunded Bond set forth on **Schedule D** attached hereto in the principal amount and at the Redemption Price set forth on **Schedule D** attached hereto; (ii) to apply the amounts on deposit in the Escrow Fund to the payment of the Redemption Price of and interest on each of the Refunded Bonds as the same shall become due on and prior to the Redemption Date for such Refunded Bond set forth on **Schedule D** attached hereto; and (iii) not less than 25 days prior to the Redemption Date, mail notice, postage prepaid, to DTC, as the registered holder of the Refunded Bonds, of the redemption of the Refunded Bonds substantially in the form of **Exhibit B** attached hereto and made a part hereof. The Escrow Agent is hereby further directed to give such notices, substantially in the form of **Exhibit B** attached hereto, by publication once a week for at least two successive weeks in any Authorized Newspaper, the first such publication to be made not less than 30 days nor more than 60 days prior to the applicable Redemption Date. The Escrow Agent shall be entitled to add such provisions to such notice which it deems appropriate. The Escrow Agent is also hereby directed to provide DTC with written notice of the redemption of each of the Refunded Bonds in accordance with the Letter of Representations. Any notice of redemption of each of the Refunded Bonds sent by the Escrow Agent to DTC in accordance with this paragraph shall also be filed by the Escrow Agent with the Municipal Securities Rulemaking Board in accordance with the continuing disclosure agreement(s) relating to the Refunded Bonds.

SECTION 9. This Agreement is made for the benefit of the Authority, the Escrow Agent and the holders from time to time of the Refunded Bonds and it shall not be repealed,

revoked, altered or amended without the written consent of all such holders, the Escrow Agent and the Authority; provided, however, that the Authority and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not materially adversely affect the rights of such holders, as shall not be inconsistent with the terms and provisions of this Agreement and as shall not adversely affect the tax exempt status of the Refunding Bonds or the Refunded Bonds, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Agreement;
 - (b) To grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent;
 - (c) To include under this Agreement additional funds, securities or properties;
- and
- (d) To effect any other changes which shall not materially adversely affect the rights of such holders.

The Escrow Agent shall be entitled to receive and rely conclusively upon an opinion of nationally recognized bond counsel with respect to compliance with this Section 9, including the compliance of any instrument executed in accordance with this Agreement with the conditions and provisions of this Section 9.

If the Authority shall have obtained a rating on the Refunded Bonds based upon the Federal Securities on deposit in the Escrow Fund in accordance with this Agreement, the Authority shall provide each rating agency then maintaining a rating on the Refunded Bonds with a draft of any amendment or supplement to this Agreement prior to its execution.

SECTION 10. Except with respect to the provisions of Section 7 hereof, this Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made. The balance of moneys, if any, remaining in the Escrow Fund shall thereafter either (i) be transferred to the Trustee for deposit to the Transportation Improvement Fund to pay State Transportation System Costs, or (ii) be applied in such other manner as may be approved by an Authorized Authority Official; provided however that the Authority shall receive an opinion of nationally recognized bond counsel to the effect that the proposed use of such funds would not adversely affect the exclusion from gross income of interest on the Refunding Bonds for Federal income tax purposes.

SECTION 11. The Escrow Fund shall be and constitute a trust fund for the purposes provided in this Agreement and shall be kept separate and distinct from all other funds of the Authority and the Escrow Agent and used only for the purposes and in the manner provided in this Agreement.

SECTION 12. The Escrow Agent agrees to perform all the duties and obligations expressly imposed upon it by this Agreement, and, except for such duties and obligations, the Escrow Agent shall not have any implied duties.

The Escrow Agent may resign and be discharged of its duties and obligations created by this Agreement, and may be removed and discharged as Escrow Agent under this Agreement, upon the same terms and conditions as are set forth in Article IX of the Resolution relating to the resignation or removal of the Trustee, which terms and conditions are incorporated herein by reference. If the Escrow Agent shall resign or be removed as Escrow Agent under this Agreement as aforesaid, then, upon appointment of a successor escrow agent for such purpose, in the same manner as provided in the Resolution for the appointment of a successor Trustee, which provision in the Resolution is incorporated herein by reference, the said successor escrow agent shall become the Escrow Agent hereunder and all the title, rights, duties and obligations of the former Escrow Agent under this Agreement and with respect to the Federal Securities and other moneys deposited or to be deposited in the Escrow Fund in accordance with this Agreement shall become those of the successor escrow agent, and upon acceptance by such successor escrow agent of the trusts created hereunder, all further title, rights, duties and obligations of the former Escrow Agent under this Agreement shall cease and be discharged, except for any rights or liabilities theretofore accrued by the Authority or the former Escrow Agent. No resignation or discharge of the Escrow Agent shall take effect until a successor shall have been appointed and shall have accepted its appointment as Escrow Agent hereunder, and until the Escrow Fund shall have been transferred to such successor.

Any company into which the Escrow Agent 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 all or substantially all of the corporate trust business shall be sold or transferred, shall be the successor to the Escrow Agent without the execution or filing of any paper or the performance of any further act; provided, however, that 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 this Agreement.

SECTION 13. If any one or more of the covenants or agreements provided in this Agreement on the part of the Authority or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement. If the Authority receives notice that any provision of this Agreement shall be severed and if the Authority shall have obtained a rating on the Refunded Bonds based upon the Federal Securities on deposit in the Escrow Fund in accordance with this Agreement, the Authority shall so notify each rating agency then maintaining a rating on the Refunded Bonds as soon as practicable after receiving such notice.

SECTION 14. All the covenants, promises and agreements in this Agreement contained by or on behalf of the Authority or by or on behalf of the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New Jersey.

SECTION 16. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which, together, shall constitute and be but one and the same instrument.

SECTION 17. This Agreement constitutes the necessary action and irrevocable instructions by the Authority to the Escrow Agent as required by Section 1201 of the Resolution in order for the Refunded Bonds to be deemed to have been paid within the meaning and with the effect expressed in Section 1201 of the Resolution.

SECTION 18. Any notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be mailed by first-class mail, registered or certified, return receipt requested, or recognized overnight carrier, postage prepaid, or sent by e-mail, telex, telegram, telecopy or other similar form of rapid transmission confirmed by mailing (by first-class mail, registered or certified, return receipt requested, or recognized overnight carrier, postage prepaid) written confirmation at substantially the same time as such rapid transmission, or personally delivered to an officer of the receiving party. All such communications shall be mailed, sent or delivered to the addresses set forth below, or as to each party at such other addresses as shall be designated by such party in a written notice to the other party.

If to the Authority:

New Jersey Transportation Trust Fund Authority
1035 Parkway Avenue
P.O. Box 600
Trenton, New Jersey 08625
Attention: Gary Brune, Executive Director
Tel: (609) 530-2046
Fax: (609) 530-3615

If to the Escrow Agent:

U.S. Bank National Association
21 South Street, 3rd Floor
Morristown, NJ 07960
Attention: Paul O'Brien
Tel: (973) 898-7168
Fax: (973) 682-4531

[REMAINDER OF THIS INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized officer as of the date first above written.

**NEW JERSEY TRANSPORTATION TRUST
FUND AUTHORITY**

By: _____
GARY J. BRUNE
Executive Director

**U.S. BANK NATIONAL ASSOCIATION, as
Escrow Agent**

By: _____
PAUL O'BRIEN
Vice President

SCHEDULE A

DESCRIPTION OF THE REFUNDED BONDS

The following Transportation System Bonds issued by the Authority shall be refunded and defeased with the proceeds of the Refunding Bonds deposited into the Escrow Fund and shall be the Refunded Bonds for all purposes of this Escrow Deposit Agreement:

<u>Series</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Existing CUSIP*</u>
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* The CUSIP numbers are included solely for the convenience of the holders of the Refunded Bonds. No representation is made as to the accuracy of the CUSIP numbers either as contained in this Schedule or as printed on any Refunded Bond.

(1) Represents a term Bond.

(2) Represents the total Outstanding principal amount of the maturity, excluding any portion of the maturity previously refunded and defeased.

(3) Represents a portion of the total Outstanding principal amount of the maturity.]

SCHEDULE B

**FEDERAL SECURITIES TO BE PURCHASED
WITH MONEYS DEPOSITED INTO THE
ESCROW FUND**

**United States Treasury Obligations
State and Local Government Series**

<u>Type of Security</u>	<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
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SCHEDULE C

PAYMENT SCHEDULE FOR THE REFUNDED BONDS

<u>Payment Date</u>	<u>Payment Amount</u>
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SCHEDULE D

REDEMPTION DATES AND REDEMPTION PRICES FOR THE REFUNDED BONDS

<u>Series</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
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(1) Represents a term Bond.

(2) Represents the total Outstanding principal amount of the maturity, excluding any portion of the maturity previously refunded and defeased.

(3) Represents a portion of the total Outstanding principal amount of the maturity.]

EXHIBIT A

NOTICE OF DEFEASANCE OF CERTAIN NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY TRANSPORTATION SYSTEM BONDS DESCRIBED HEREIN

Notice is hereby given to the holders of the bonds more fully described below (the “Refunded Bonds”) of the New Jersey Transportation Trust Fund Authority (the “Authority”) that there has been irrevocably deposited with U.S. Bank National Association, as Escrow Agent (the “Escrow Agent”), pursuant to the Escrow Deposit Agreement dated _____, 2018, by and between the Authority and the Escrow Agent, moneys and certain Federal Securities, as that term is defined in the Resolution (as defined below), the principal of and interest on which, together with other moneys deposited with the Escrow Agent, will provide moneys sufficient to pay, when due, the principal or Redemption Price (as defined in the Resolution) of the Refunded Bonds, all as set forth below, and the interest due and to become due on the Refunded Bonds on or prior to (i) their maturity dates in the case of all of the Refunded Bonds other than the ____ Series _ Bonds maturing on _____ 15, 20__ and the ____ Series _ Bonds maturing on _____ 15, 20__, (ii) _____ 15, 20__ (the redemption date for the ____ Series _ Bonds maturing on _____ 15, 20__), and (iii) _____ 15, 20__ (the redemption date for the ____ Series _ Bonds maturing on _____ 15, 20__), all pursuant to Section 1201 of the Authority’s 1995 Transportation System Bond Resolution adopted June 15, 1995, as amended and supplemented, including as supplemented by a Thirtieth Supplemental Transportation System Bond Resolution adopted on _____, 2018, and a Series Certificate of the Authority dated as of _____, 2018 (collectively, the “Resolution”). Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Resolution.

As a result of said deposit of moneys and Federal Securities with the Escrow Agent, the Refunded Bonds are deemed to have been paid in accordance with Section 1201 of the Resolution and the pledge of the Pledged Property, the Debt Service Reserve Fund, any Revenues, and other moneys and securities pledged under the Resolution and all covenants, agreements and other obligations of the Authority to the holders of the Refunded Bonds, have ceased, terminated and become void and are discharged and satisfied with respect to the Refunded Bonds and the Refunded Bonds are no longer entitled to any lien, benefit or security under the Resolution.

The Series, maturity date, principal amount, interest rate and CUSIP numbers of each maturity of the Refunded Bonds are as follows:

<u>Series</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Original CUSIP Number⁽¹⁾</u>	<u>New Prerefunded CUSIP Number⁽¹⁾</u>	<u>New Unrefunded CUSIP Number⁽¹⁾</u>
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**NEW JERSEY TRANSPORTATION
TRUST FUND AUTHORITY**

By: **U.S. BANK NATIONAL
ASSOCIATION, as Escrow Agent**

Dated: _____, 2018

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- ⁽¹⁾ The CUSIP numbers are included solely for the convenience of the bondholders. No representation is made as to the accuracy of the CUSIP numbers either as contained in this Notice or as printed on any Refunded Bond.

**NOTICE OF REDEMPTION
OF
NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**

**Transportation System Bonds, _____ Series _
Maturing on _____ 15, 20__**

**Transportation System Bonds, _____ Series _
Maturing on
_____ 15, 20__**

Notice is hereby given to the holders of the outstanding Transportation System Bonds more fully described below (collectively, the "Redeemed Bonds") of the New Jersey Transportation Trust Fund Authority (the "Authority") that the Redeemed Bonds have been called for redemption prior to maturity on _____, 2018 (the "Redemption Date") in accordance with their terms at a redemption price of 100% of the principal amount thereof, plus accrued interest to the Redemption Date. The source of funds to be used for the redemption of the Redeemed Bonds is the principal of and interest on certain United States Treasury obligations, State and Local Government Series, heretofore deposited with U.S Bank National Association, as escrow agent (the "Escrow Agent") under the Escrow Deposit Agreement dated _____, 2018, by and between the Authority and the Escrow Agent, together with other moneys, if any, heretofore deposited with the Escrow Agent.

On the Redemption Date, the Redeemed Bonds will become due and payable at the redemption price stated above, plus interest accrued to the Redemption Date, and from and after the Redemption Date interest on the Redeemed Bonds shall cease to accrue and be payable.

Payment of the redemption price of the Redeemed Bonds will be made upon surrender of the Redeemed Bond certificates at the following office of U.S. Bank National Association, as Trustee:

**U.S. Bank National Association
Corporate Trust Services
21 South Street, 3rd Floor
Morristown, New Jersey 07960**

The Redeemed Bonds are more particularly described as follows:

**New Jersey Transportation Trust Fund Authority
Transportation System Bonds**

<u>Series</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Original CUSIP Number⁽¹⁾</u>	<u>New Prerefunded CUSIP Number⁽¹⁾</u>	<u>New Unrefunded CUSIP Number⁽¹⁾</u>
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NOTICE

Under the provisions of the Jobs Growth and Tax Relief Reconciliation Act of 2003 (the "Act"), paying agents making payments of the principal of the Redeemed Bonds may be obligated to withhold a twenty eight percent (28%) tax from remittances to individuals who have failed to furnish the paying agent with a certified and valid taxpayer identification number on the fully completed Form W-9. Holders of the above-described Redeemed Bonds who wish to avoid the application of these provisions should submit a certified taxpayer identification number on IRS Form W-9 when presenting the Redeemed Bonds for redemption and payment.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

By: **U.S. BANK NATIONAL
ASSOCIATION, as Escrow Agent**

Dated: _____, 2018

**PUBLICATION DATE: _____,
2018**

⁽¹⁾ The CUSIP numbers are included solely for the convenience of the bondholders. No representation is made as to the accuracy of the CUSIP numbers either as contained in this Notice or as printed on any Redeemed Bond.

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

THIS FOURTH 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 _____, 2018, 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, the Treasurer, the Commissioner and the Authority entered into a Third Amended and Restated Contract Implementing Funding Provisions of the New Jersey Transportation Trust Fund Authority Act, dated as of December 4, 2012 (the “Third Amended and Restated State Contract”), in order to implement the financing arrangements provided for in the Act as amended by the 2012 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 October 14, 2016 by L. 2016, c. 56 (the “2016 Legislation”) to provide, among other things, for an increase in the amount of revenues available to the Authority; and

WHEREAS, by Concurrent Resolution, passed in the Senate and Assembly on January 11, 2016, 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, an amount equivalent to all revenues derived from the Motor Fuels Tax and (ii) to credit to a special account in the General Fund, in each Fiscal Year, an amount equivalent to all revenues derived from the Petroleum Products Tax; 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 8, 2016; 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, pursuant to the authority so granted in Section 23 of the Act, as amended by the 2016 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 2016 Legislation, relating to the Transportation System Bonds, and to implement the financing arrangements provided for in the Act, as amended by the 2016 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 Bonds; and

WHEREAS, the Authority has duly authorized its Chairperson, Vice Chairperson or Executive Director by the Thirtieth Supplemental Transportation System Bond Resolution adopted on May 23, 2018 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, the 2012 Legislation and the 2016 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 (now known as the South Jersey Transportation 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) Beginning on December 8, 2016 of the Fiscal Year commencing July 1, 2016 and during each Fiscal Year thereafter 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 the Motor Fuels Tax.

(b) The Treasurer shall, in addition to the foregoing, credit to the Transportation Trust Fund Subaccount (i) a portion of an amount equivalent to all revenue derived from the Petroleum Products Tax beginning on December 8, 2016 of the Fiscal Year commencing July 1, 2016 and in each Fiscal Year thereafter; 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. 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 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 may 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 all 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 to this 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 _____, 2018.

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 authorized the date and year first written above.

TREASURER, STATE OF NEW JERSEY

By: _____
ELIZABETH MAHER MUOIO
Treasurer

COMMISSIONER, NEW JERSEY
DEPARTMENT OF TRANSPORTATION

By: _____
DIANE GUTIERREZ-SCACCETTI
Acting Commissioner

NEW JERSEY TRANSPORTATION
TRUST FUND AUTHORITY

By: _____
GARY BRUNE
Executive Director

[SIGNATURE PAGE TO FOURTH AMENDED AND RESTATED CONTRACT]



State of New Jersey

OFFICE OF THE GOVERNOR

P.O. Box 001

TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

May 21, 2018

Diane Gutierrez-Scaccetti, Acting Chair
New Jersey Transportation Trust Fund Authority
PO Box 600
Trenton, New Jersey 08625

Re: Pre-Approval of the Issuance of Federal Highway Reimbursement Revenue
Refunding Notes and Transportation System Bonds by the New Jersey
Transportation Trust Fund Authority

Dear Acting Chair Gutierrez-Scaccetti:

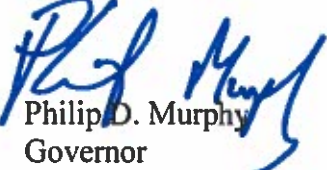
In accordance with the authorization contained in Section 9(a) of the New Jersey Transportation Trust Fund Authority Act, L. 1984, c. 73, as amended and supplemented (N.J.S.A. 27:1B-9(a)), I hereby approve the adoption by the New Jersey Transportation Trust Fund Authority (the "Authority") of two resolutions authorizing the issuance of notes and bonds.

Specifically, I hereby approve the adoption by the Authority of the Federal Highway Reimbursement Revenue Refunding Note Resolution authorizing the issuance by the Authority of its Federal Highway Reimbursement Revenue Refunding Notes (the "2018 Series Notes"), in one or more series, in the aggregate principal amount not to exceed \$1.4B for the purposes of refunding a portion of the Authority's Federal Highway Reimbursement Revenue Notes, 2016 Series A, which financed State Transportation System Costs, and paying costs of issuance of the 2018 Series Notes.

In addition, I hereby approve the adoption by the Authority of the Thirtieth Supplemental Transportation System Bond Resolution authorizing the issuance by the Authority of its

Transportation System Bonds, in one or more series, in the aggregate principal amount not to exceed \$1.8B for the purposes of refunding a portion of the Authority's outstanding Transportation System Bonds, which financed State Transportation System Costs, and paying costs of issuance of the 2018 Series Bonds.

My very best,



Philip D. Murphy
Governor

cc: Gary Brune, Executive Director



State of New Jersey

OFFICE OF THE STATE TREASURER

PO Box 002

TRENTON, NJ 08625-0002

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

ELIZABETH MAHER MUOIO
State Treasurer

May 17, 2018

The Honorable Diane Gutierrez-Scaccetti, Chair
New Jersey Transportation Trust Fund Authority
1035 Parkway Avenue
PO Box 600
Trenton, New Jersey 08525

Re: Pre-Approval of the Issuance of Federal Highway Reimbursement Revenue
Refunding Notes and Transportation System Bonds by the New Jersey
Transportation Trust Fund Authority

Dear Chair Gutierrez-Scaccetti:

In accordance with the authorization contained in Section 9(a) of the New Jersey Transportation Trust Fund Authority Act, L. 1984, c. 73, as amended and supplemented (N.J.S.A. 27:1B-9(a)), I hereby approve the adoption by the New Jersey Transportation Trust Fund Authority (the "Authority") of two resolutions authorizing the issuance of notes and bonds.

Specifically, I hereby approve the adoption by the Authority of the Federal Highway Reimbursement Revenue Refunding Note Resolution authorizing the issuance by the Authority of its Federal Highway Reimbursement Revenue Refunding Notes (the "2018 Series Notes"), in one or more series, in the aggregate principal amount not to exceed \$1,400,000,000 for the purposes of refunding a portion of the Authority's Federal Highway Reimbursement Revenue Notes, 2016 Series A, which financed State Transportation System Costs, and paying costs of issuance of the 2018 Series Notes.

In addition, I hereby approve the adoption by the Authority of the Thirtieth Supplemental Transportation System Bond Resolution authorizing the issuance by the Authority of its Transportation System Bonds, in one or more series, in the aggregate principal amount not to exceed \$1,800,000,000 for the purposes of refunding a portion of the Authority's outstanding Transportation System Bonds, which financed State Transportation System Costs, and paying costs of issuance of the 2018 Series Bonds.

Sincerely,

A blue ink signature of Elizabeth Maher Muoio, written in a cursive style.

Elizabeth Maher Muoio
State Treasurer

c: Gary Brune, Executive Director