

## **NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**

Minutes of the meeting of the New Jersey Transportation Trust Fund Authority (“NJTTFA” or, the “Authority”) held at the Office of the Commissioner in the Main Office Building of the New Jersey Department of Transportation (“NJDOT”), 1035 Parkway Avenue, Trenton, New Jersey on October 17, 2019 at 3:41 PM (EDT).

The following Authority members were present:

- Diane Gutierrez-Scaccetti, NJTTFA Chairperson; 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)
- Robert A. Briant, Jr., NJTTFA Public Member (Via Teleconference)
- Greg Lavee, NJTTFA Public Member (Via Teleconference)
- John Duthie, NJTTFA Public Member

Constituting a quorum of the Members of the Authority.

There were also present:

- Lewis Daidone, NJTTFA Executive Director; Assistant Commissioner, New Jersey Department of Transportation, Finance and Administration
- Samuel Braun, NJTTFA Comptroller; Office of the Assistant Commissioner, New Jersey Department of Transportation, Finance and Administration
- Natalie Mintchwarner, NJTTFA Secretary; Manager, New Jersey Department of Transportation, Bureau of Legislative Analysis

- Jackie Brown, NJTTFA Assistant Secretary; Administrative Assistant 1, New Jersey Department of Transportation
- Joseph Bertoni, Deputy Commissioner, New Jersey Department of Transportation
- Susan Wilkerson, Deputy Attorney General
- Aimee Manocchio-Nason, Deputy Attorney General
- Victoria Nilsson, Deputy Attorney General
- David Moore, Deputy Director, Office of Public Finance, New Jersey Department of Treasury
- Anthony Longo, Office of Public Finance, New Jersey Department of Treasury
- Joy Johnson, Governor's Authorities Unit
- Jacqueline Shanes, Esq., McCarter & English, LLP
- Brian Bradley, Director, RBC Capital Markets, LLC
- Brian Burke, RBC Capital Markets, LLC

Chairperson Gutierrez-Scaccetti presided at the meeting and Natalie Mintchwarner kept the minutes.

Chairperson Gutierrez-Scaccetti convened the meeting at 3:41 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 printed in five [5] newspapers of general distribution (The Trentonian, Trenton Times, Courier Post, Star Ledger, and the Atlantic City*

*Press); and posted in the main entrance of the New Jersey Department of Transportation's Headquarters. "*

Secretary Natalie Mintchwarner called the roll. The following acknowledged their presence: Diane Gutierrez-Scaccetti, Robert A. Briant, Jr., Greg Lalevee, John Duthie, and Michael Kanef.

After acknowledging that a quorum was present, Chairperson Gutierrez-Scaccetti called the first order of business by requesting a motion to approve the minutes of the TTFA Board meeting held on September 5, 2019.

John Duthie moved to adopt the resolution entitled: "Approval of September 5, 2019 Meeting Minutes."

Chairperson Gutierrez-Scaccetti asked if anyone had any questions or further discussion. The members did not have any questions or discussion on the motion. The motion was seconded by Michael Kanef. The members were polled with all members being in favor, no members in opposition, and one member absent; therefore, the motion was carried.

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

Chairperson Gutierrez-Scaccetti stated that before getting to Agenda Item D, she wanted to have a brief discussion proposing a change the Authority's board meeting schedule, such that, commencing January 2020, the Authority would publish a monthly meeting schedule to give Board members adequate notice of monthly meetings in order to facilitate the Board members' presence at the meetings; if there are no actions that need to be taken in a particular month, that meeting may be canceled. Chairperson Gutierrez-Scaccetti also stated that she would like the Authority Board to meet on a quarterly basis to review the status of the Trust Fund so that all members are fully briefed. Chairperson Gutierrez-Scaccetti asked the board members if that

proposed change to the board meeting schedule was acceptable. John Duthie motioned to approve the change. The motion was seconded by Michael Kanef. The members were polled with all members being in favor; none opposed, and one member absent; therefore, the motion was carried.

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

Chairperson Gutierrez-Scaccetti called the next order of business regarding the approval of the resolution authorizing the issuance of one or more Series of Transportation System Bonds in an aggregate principal amount not exceeding \$2,500,000,000 to refund various series of outstanding Transportation System Bonds which, she stated, appoints RBC Capital Markets as the Senior Managing Underwriter and authorizes the sale of the Bonds to RBC. The Resolution also approves the forms of the Escrow Deposit Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Preliminary Official Statement and their use and execution by Authorized Authority Officials in connection with the sale of the bonds. In addition, she stated that the Resolution delegates to the Authorized Authority Officials the power to take certain actions and make certain determinations in connection with the Transportation System Bonds.

Chairperson Gutierrez-Scaccetti then asked Jacqueline Shanes Esq., of McCarter & English, LLP., Bond Counsel to the Authority to discuss the transaction. Ms. Shanes stated that she is a partner with the law firm of McCarter & English, LLP, and Bond Counsel to the Authority. She said that the Board is being asked to consider the adoption of the Thirty-First Supplemental Bond Resolution which authorizes not to exceed \$2.5 billion of Transportation System Bonds and that the Bonds will be issued for refunding purposes in one or more series at fixed rates of interest and will mature no later than the maturity date of the bonds being refunded. She also said that the Supplemental Resolution authorizes the sale of the Bonds to RBC Capital Markets as the senior



managing underwriter and also approves the forms of the Preliminary Official Statement, the Bond Purchase Contract, the Escrow Deposit Agreement and the Continuing Disclosure Agreement which were submitted to the Board in substantially final form. Ms. Shanes stated she would be happy to answer any questions.

Chairperson Gutierrez-Scaccetti asked if there were any questions or further discussion. Hearing none, Chairperson Gutierrez-Scaccetti requested a motion to adopt the resolution entitled: "Approval of the Thirty-First Supplemental Transportation System Bond Resolution." John Duthie moved to adopt the Resolution (which is appended to these minutes).

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

**AYE: 5**

**NAY: 0**

**ABSTAIN: 0**

**ABSENT: 1**

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

For the next order of business, Chairperson Gutierrez-Scaccetti stated Jacqueline Shanes Esq., Bond Counsel to the Authority, would lead the discussion regarding the approval of the resolution that authorizes the submission to the Joint Budget Oversight Committee of a request for approval of the proposed issuance of Transportation System Bonds under the Thirty-First Supplemental Transportation Bond Resolution in an amount not exceeding \$2.5 billion in order to refund various series of outstanding transportation system bonds. Ms. Shanes stated that the resolution seeks the approval of the Board to submit a request to the Joint Budget Oversight Committee for the approval of the Transportation System Bonds authorized under the Authority's Thirty-First Supplemental Resolution and that the bonds are being issued in an amount not to

exceed \$2.5 billion in order to refund various series of outstanding Transportation System Bonds for debt service savings purposes. Ms. Shanes stated she would be happy to answer any questions.

Chairperson Gutierrez-Scaccetti asked if there would be any further discussion. Hearing none, she then requested a motion to adopt the resolution entitled: "Approval of 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." John Duthie moved to adopt the Resolution (which is appended to these minutes).

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

**AYE: 5**

**NAY: 0**

**ABSTAIN: 0**

**ABSENT: 1**

For the next order of business, Chairperson Gutierrez-Scaccetti asked David Moore, Deputy Director, Office of Public Finance, New Jersey Department of the Treasury, to lead the discussion regarding the resolution authorizing the payment of expenses that are expected to be incurred in connection with the issuance of the Transportation System Bonds, 2019 Series A and 2019 Series B, consisting of one or more Series of fixed rate bonds authorized to be issued under the Thirty-First Supplemental Transportation System Bond Resolution, adopted on October 17, 2019. Such expenses include those of bond counsel, the rating agencies, the trustee, trustee's counsel, and miscellaneous expenses.

Mr. Moore stated that the costs of issuance were assembled in conjunction with the lead underwriter, RBC Capital Markets, and that the costs are reasonable and in line with other State level transactions of similar size, and that he would be happy to answer any questions.

Chairperson Gutierrez-Scaccetti questioned who would be rating the bonds. David Moore stated they will be rated by Moody's, Standard & Poor, and Fitch.

Chairperson Gutierrez-Scaccetti then asked if there would be any further discussion. Robert Briant Jr. asked if using three different rating agencies is the standard. Chairperson Gutierrez-Scaccetti and David Moore stated it was standard. Mr. Briant also stated that he thought the refunding transaction was a good deal for the Authority because of the debt service savings and the refunding bonds had the same maturity as the bonds to be refunded. Being there was no further discussion, she then requested a motion to adopt the resolution entitled: "Resolution Authorizing the Payment of Costs of Issuance in Connection With the Issuance of the New Jersey Transportation Trust Fund Authority's Transportation System Bonds, 2019 Series A, (Tax-Exempt) and 2019 Series B (Federally Taxable)." John Duthie moved to adopt the resolution (which is appended to these minutes).

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

**AYE: 5**

**NAY: 0**

**ABSTAIN: 0**

**ABSENT: 1**

Chairperson Gutierrez-Scaccetti then noted that the NJDOT is reviewing the potential impact of the rescission provision of the federal FAST Act. Initial estimates indicate that NJDOT could realize a potential reduction in its apportionments of between \$450,000,000 and \$500,000,000. As a result, the NJDOT, the Governor's Office, and the congressional delegation, are working together to effectuate the elimination of the FAST Act rescission.

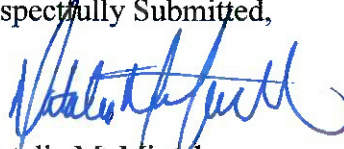
Chairperson Gutierrez-Scaccetti then asked Lewis Daidone, NJTTFA Executive Director and NJDOT Assistant Commissioner, Finance and Administration, to give a brief presentation of the Capital Program. Mr. Daidone began by stating that the Capital Program for the 2020 State Fiscal Year totaled \$3.7 billion, consisting of both federal and state funds; NJDOT's portion is \$2.3 billion and NJ Transit's portion is \$1.4 billion. He then provided an overview of how the Program was developed over the year at NJDOT, describing the process that begins in October with the gathering of information and ends in the June – July timeframe with the publishing of the Program.

Mr. Daidone continued with a discussion of the Capital Investment Strategy session that was held in the first quarter of 2019. The Commissioner, Deputy Commissioner, Assistant Commissioners and support staff attended the session. The goal of the two-day session was to establish annual target levels by category for the Statewide Transportation Improvement Program. The challenge was to try and constrain demand for resources to available funding sources. By the end of the Capital Investment Strategy session, target levels by investment category were set to be used for building the NJDOT Capital Program in the upcoming years.

There being no further business coming from the Authority, Chairperson Gutierrez-Scaccetti requested a motion to adjourn the meeting. John Duthie moved that the October 17, 2019 meeting of the New Jersey Transportation Trust Fund Authority be adjourned. Michael Kanef seconded the motion, which was carried by unanimous vote.

The October 17, 2019 meeting of the New Jersey Transportation Trust Fund Authority ended at approximately 4:05 PM.

Respectfully Submitted,



Natalie M. Minchwarner  
Secretary of the Authority

## **AGENDA ITEM D**

### **APPROVAL OF THE THIRTY-FIRST SUPPLEMENTAL TRANSPORTATION SYSTEM BOND RESOLUTION**

This Resolution authorizes the issuance of one or more Series of Transportation System Bonds in an aggregate principal amount not exceeding \$2,500,000,000 to refund various series of outstanding Transportation System Bonds. The Resolution appoints RBC Capital Markets as the Senior Managing Underwriter and authorizes the sale of the Bonds to RBC. The Resolution also approves the forms of the Escrow Deposit Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Preliminary Official Statement and their use and execution by Authorized Authority Officials in connection with the sale of the bonds. In addition, the Resolution delegates to the Authorized Authority Officials the power to take certain actions and make certain determinations in connection with the Transportation System Bonds as set forth therein.

**Fiscal Year 2020**  
**New Jersey Transportation Trust Fund Authority**  
**Briefing Paper**

**Q&A for:**

**Transportation System Bonds, 2019 Series A (Tax-Exempt)**  
**Transportation System Bonds, 2019 Series B (Federally Taxable)**



**NJ Transportation Trust Fund Authority**

*Prepared by:*

*Transportation Trust Fund Authority*  
*Office of the Executive Director*

*October 9, 2019*

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**1. What is the purpose of today's New Jersey Transportation Trust Fund Authority (the "Authority") meeting?**

The purpose of today's Authority Board meeting is to approve (i) the proposed refunding transaction (as described in *Question 2*) and the respective financing documents and (ii) the submission of the debt refunding plan to the Joint Budget Oversight Committee ("JBOC") for its approval. Subject to the Governor's approval of the related Board meeting minutes and receipt of JBOC approval, we expect to offer the Transportation System Bonds, 2019 Series A (Tax-Exempt) (the "2019 A Bonds") and the Transportation System Bonds, 2019 Series B (Federally Taxable) (the "2019 B Bonds" and collectively with the 2019 A Bonds, the "2019 Bonds") for sale to investors in December 2019.

**2. Describe the proposed transactions.**

The Authority plans to issue the 2019 Bonds in an aggregate principal amount of approximately \$2,500,000,000 to refund certain outstanding Transportation System Bonds to realize gross and net present value savings and to provide savings in equal annual installments in Fiscal Years 2020 - 2042 in order to reduce the overall annual debt service of the Authority.

**3. What are the estimated "sources and uses" for the proposed obligations?**

The presently estimated sources and uses for the 2019 Bonds are as follows:

| Sources of Funds       | (in millions) |
|------------------------|---------------|
| Par Amount             | \$2,362.5     |
| Premium                | 111.7         |
| Total Sources of Funds | \$2,474.2     |

| Uses of Funds          |           |
|------------------------|-----------|
| Escrow Fund Deposit    | \$2,463.6 |
| Costs of Issuance*     | 3.5       |
| Underwriter's Discount | 7.1       |
| Total Uses of Funds    | \$2,474.2 |

\*Does not include bond insurance which will be explored based on capacity and cost at the time of pricing.

**4. When will the obligations be sold?**

It is expected that the 2019 Bonds will be sold to investors the first week of December 2019.



**5. How were the amounts of the refunding scenarios determined?**

The 2019 Bonds are expected to be issued in the aggregate estimated amount of \$2,362,475,000. The debt sizing maximizes the gross and present value savings opportunities associated with the Authority's existing portfolio of outstanding bonds under current market conditions, based upon (i) the tax-exempt current refunding of all of the outstanding Transportation System Bonds, 2009 Series B (Federally Taxable-Issuer Subsidy - Build America Bonds); (ii) the tax-exempt advance refunding of all of the outstanding Transportation System Bonds, 2010 Series C (Federally Taxable-Issuer Subsidy-Build America Bonds); and (iii) the taxable advance refunding of all callable Transportation System Bonds, 2011 Series A and all callable Transportation System Bonds, 2011 Series B. However, every refunding transaction is interest rate sensitive and may change prior to the actual sale dates of the respective obligations.

**6. What is the proposed structure of these sales? Do we intend to use traditional fixed rate financing or to make use of interest rate swaps or other variable rate instruments?**

The 2019 A Bonds will be structured as tax-exempt, fixed rate, current interest bonds. The final maturity of the 2019 A Bonds will occur no later than the final maturity date of the bonds being refunded. The final maturity of the 2019 A Bonds is expected to be December 15, 2039. This transaction will not involve variable rate bonds, capital appreciation bonds or interest rate swap agreements.

The 2019 B Bonds will be structured as taxable, fixed rate, current interest bonds. The final maturity of the 2019 B Bonds will occur no later than the final maturity date of the bonds being refunded. The final maturity of the 2019 B Bonds is expected to be June 15, 2042. This transaction will not involve variable rate bonds, capital appreciation bonds or interest rate swap agreements.

The aggregate savings from the 2019 Bonds are structured to provide savings in equal annual installments in Fiscal Years 2020 - 2042.

**7. How do these issuances satisfy the net present value savings test required by statute?**

The Transportation Trust Fund Authority Act (the "Act") provides in N.J.S.A. 27:1B-9(o) 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, 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 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."

At the time of the respective sales of the 2019 Bonds, the Senior Managing Underwriter will perform calculations to prove that each of the 2019 A Bonds and 2019 B Bonds refunding transactions meet the requirements of the Act with respect to present value savings results, all using the specific methodologies described in the Act. In addition, these calculations will be confirmed by a third-party "Verification Agent". The Authority should also be aware that the Senior Managing Underwriter has performed preliminary calculations indicating that each refunding transaction will exceed the minimum thresholds set forth in the Act.

**8. Has a bond counsel, financial advisor and underwriter been selected? If yes, who are they and how were they selected?**

For the 2019 Bonds, McCarter & English, LLP was selected as Bond Counsel by the Attorney General's Office through a competitive RFQ/RFP process. RBC Capital Markets, LLC has been recommended to the Authority as the Senior Managing Underwriter pursuant to the State's competitive RFP process. There is no financial advisor.

**9. In general, how are the current financial markets expected to impact our sales of these obligations? What type of interest rates can we expect?**

Although volatile, interest rates in the both the current tax-exempt and taxable market continue to remain at historically low levels, which will allow the Authority to maximize net present value savings from each respective refunding transaction. Market conditions could change between the time of the Board approval and pricing, and such changes may affect the size and/or structure of the proposed transactions. While the estimated interest rates represent the current market, the final rates will be limited to the "not to exceed" interest rates, which are included in the bond resolution.

For the 2019 A Bonds, estimated tax-exempt interest rate yields, as of October 7, 2019, range from 2.16% in 2020 to 2.87% in 2039.

For the 2019 B Bonds, estimated taxable interest rate yields, as of October 7, 2019, range from 2.36% in 2020 to 3.86% in 2042.

**10. What are the estimated annual debt service requirements on the proposed 2019 Bonds and what are the estimated savings?**

Please see **Appendix I** for the estimated annual debt service requirements and savings on the proposed refundings.

**11. Will there be any projected change in the Authority's credit rating as a result of these sales?**

We expect the Authority's current ratings to be affirmed prior to the sale of the 2019 Bonds. The Authority's existing ratings for its Transportation System Bonds are "Baa1"/"BBB+"/"A-"/"A-" from Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Financial Services LLC ("S&P"), Fitch Ratings, Inc. ("Fitch") and Kroll Bond Rating Agency, Inc. ("Kroll"), respectively.

**Appendix I: Estimated Financing Statistics**

| <b>Fiscal Year</b> | <b>Prior Debt Service</b> | <b>Refunding Debt Service</b> | <b>Annual Savings</b> | <b>Present Value PV Savings</b> |
|--------------------|---------------------------|-------------------------------|-----------------------|---------------------------------|
| 06/30/2020         | 121,427,774               | 106,306,586                   | 15,121,188            | 15,946,975                      |
| 06/30/2021         | 114,137,862               | 99,013,198                    | 15,124,664            | 14,522,970                      |
| 06/30/2022         | 158,537,862               | 143,413,422                   | 15,124,440            | 13,999,400                      |
| 06/30/2023         | 158,538,112               | 143,413,158                   | 15,124,954            | 13,486,110                      |
| 06/30/2024         | 158,539,687               | 143,417,523                   | 15,122,164            | 12,988,410                      |
| 06/30/2025         | 255,109,974               | 239,987,315                   | 15,122,659            | 13,260,918                      |
| 06/30/2026         | 230,008,976               | 214,885,707                   | 15,123,269            | 12,888,273                      |
| 06/30/2027         | 229,525,621               | 214,401,903                   | 15,123,718            | 12,525,157                      |
| 06/30/2028         | 229,433,956               | 214,307,704                   | 15,126,252            | 12,173,359                      |
| 06/30/2029         | 229,349,646               | 214,223,632                   | 15,126,014            | 11,829,384                      |
| 06/30/2030         | 141,141,401               | 126,016,040                   | 15,125,361            | 10,439,860                      |
| 06/30/2031         | 141,136,838               | 126,012,729                   | 15,124,109            | 10,059,112                      |
| 06/30/2032         | 141,141,551               | 126,015,918                   | 15,125,633            | 9,693,353                       |
| 06/30/2033         | 141,140,738               | 126,017,244                   | 15,123,494            | 9,337,658                       |
| 06/30/2034         | 141,140,488               | 126,013,521                   | 15,126,967            | 8,997,596                       |
| 06/30/2035         | 141,143,351               | 126,016,563                   | 15,126,788            | 8,667,069                       |
| 06/30/2036         | 141,136,051               | 126,012,033                   | 15,124,018            | 8,347,649                       |
| 06/30/2037         | 141,141,126               | 126,014,881                   | 15,126,245            | 8,042,660                       |
| 06/30/2038         | 141,136,976               | 126,015,141                   | 15,121,835            | 7,745,502                       |
| 06/30/2039         | 141,139,576               | 126,013,038                   | 15,126,538            | 7,463,220                       |
| 06/30/2040         | 408,330,488               | 393,209,721                   | 15,120,767            | 8,615,339                       |
| 06/30/2041         | 128,530,675               | 113,409,500                   | 15,121,175            | 6,976,323                       |
| 06/30/2042         | 86,929,500                | 71,808,720                    | 15,120,780            | 6,721,209                       |
| <b>Total</b>       | <b>\$ 3,919,798,226</b>   | <b>\$ 3,571,945,197</b>       | <b>\$ 347,853,029</b> | <b>\$ 244,727,505</b>           |

| <b>Series</b>  | <b>Par Amount</b>       | <b>Par Amount of Refunded Bonds</b> | <b>Cash Flow Savings</b> | <b>Present Value Savings (\$)</b> | <b>Present Value Savings (%)</b> |
|--|-------------------------|-------------------------------------|--------------------------|-----------------------------------|----------------------------------|
| Transportation System Bonds, 2019 Series A (Tax-Exempt)        | \$ 632,845,000          | \$ 698,500,000                      | \$ 73,488,586            | \$ 60,798,815                     | 8.70%                            |
| Transportation System Bonds, 2019 Series B (Federally Taxable) | 1,728,900,000           | 1,595,950,000                       | 274,364,444              | 183,928,690                       | 11.52%                           |
| <b>Total</b>   | <b>\$ 2,361,745,000</b> | <b>\$ 2,294,450,000</b>             | <b>\$ 347,853,029</b>    | <b>\$ 244,727,505</b>             | <b>10.67%</b>                    |

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**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**

**Not Exceeding \$2,500,000,000**

**Transportation System Bonds**

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**THIRTY-FIRST SUPPLEMENTAL TRANSPORTATION  
SYSTEM BOND RESOLUTION**

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**Adopted October 17, 2019**

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## TABLE OF CONTENTS

Page

### ARTICLE I AUTHORITY AND DEFINITIONS

|      |   |   |
|------|---|---|
| 1.1. | Supplemental Resolution. ....   | 1 |
| 1.2. | Authority for this Thirty-First Supplemental Transportation System Bond Resolution..... | 1 |
| 1.3. | Definitions.....  | 1 |

### ARTICLE II AUTHORIZATION OF THIRTY-FIRST SUPPLEMENTAL BONDS

|       |  |    |
|-------|--|----|
| 2.1.  | Maximum Principal Amount, Designation, Series and Other Details. ....                        | 3  |
| 2.2.  | Purpose.....   | 3  |
| 2.3.  | Determination in Accordance with Section 9(i) of the Act. ....                               | 3  |
| 2.4.  | Authorization of Negotiated Sale.....  | 4  |
| 2.5.  | Approval of the Preliminary Official Statement. ....   | 5  |
| 2.6.  | Authorization of the Printing and Distribution of the Preliminary Official Statement.....    | 5  |
| 2.7.  | Approval of Continuing Disclosure Agreement. ....  | 5  |
| 2.8.  | Approval of Escrow Deposit Agreement. ....   | 6  |
| 2.9.  | Additional Proceedings.....  | 6  |
| 2.10. | Denomination, Numbers and Letters. ....  | 9  |
| 2.11. | Redemption. ....   | 10 |
| 2.12. | Book-Entry Only System.....  | 10 |
| 2.13. | Application of Proceeds of the Thirty-First Supplemental Bonds.....                          | 12 |
| 2.14. | Form of the Thirty-First Supplemental Bonds and Trustee's Certificate of Authentication..... | 12 |

### ARTICLE III MISCELLANEOUS

|      |  |    |
|------|--|----|
| 3.1. | Registration or Qualification of Bonds Under Blue Sky Laws of Various Jurisdictions. . | 19 |
| 3.2. | Payments from Authority Reserve Fund.....  | 19 |
| 3.3. | Amendment to Post Issuance Tax Compliance Procedures.....                              | 19 |
| 3.4. | Tax Compliance Officer. ....   | 19 |

### ARTICLE IV EFFECTIVE DATE

|      |                      |    |
|------|----------------------|----|
| 4.1. | Effective Date. .... | 20 |
|------|----------------------|----|

# **NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**

## **THIRTY-FIRST SUPPLEMENTAL TRANSPORTATION SYSTEM BOND RESOLUTION**

**Adopted October 17, 2019**

**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 Thirty-First Supplemental Transportation System Bond Resolution (the “Thirty-First 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 Thirty-First Supplemental Transportation System Bond Resolution.**

This Thirty-First Supplemental Resolution is adopted (i) pursuant to the provisions of the New Jersey Transportation Trust Fund Authority Act of 1984, L. 1984, c. 73, as amended and supplemented (the “Act”), and (ii) in accordance with Article II and Article X of the Resolution.

#### **1.3. Definitions.**

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

(b) In addition, in this Thirty-First Supplemental Resolution, the following terms shall have the meanings set forth below:

**“Authorized Authority Official”** shall mean the Chairperson of the Authority, the Vice Chairperson of the Authority, the Executive Director of the Authority or the Comptroller 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 Thirty-First Supplemental Resolution.

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

**“DTC”** shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Thirty-First Supplemental Bonds.

**“Escrow Deposit Agreement”** shall have the meaning given to such term in Section 2.8 of this Thirty-First 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 Thirty-First Supplemental Bonds, as shall be determined in the Series Certificate for such Thirty-First 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 RBC Capital Markets, LLC in its capacity as the senior managing Underwriter for the Thirty-First 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 Thirty-First Supplemental Resolution.

**“Taxable Thirty-First Supplemental Bonds”** shall mean any Thirty-First Supplemental Bonds the interest on which is includable in gross income for Federal income tax purposes pursuant to the Code.

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

**“Thirty-First Supplemental Bonds”** shall mean the not to exceed \$2,500,000,000 aggregate principal amount of Transportation System Bonds authorized pursuant to Article II of this Thirty-First Supplemental Resolution.

**“Underwriters”** shall mean, with respect to the Thirty-First Supplemental Bonds, the Senior Managing Underwriter and the other underwriters named in the Bond Purchase Contract for the Thirty-First Supplemental Bonds pursuant to Section 2.4 of this Thirty-First Supplemental Resolution.



## **ARTICLE II**

### **AUTHORIZATION OF THIRTY-FIRST SUPPLEMENTAL BONDS**

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

(a) Pursuant to the provisions of the Resolution, one or more Series of Thirty-First 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 \$2,500,000,000. The Thirty-First 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 Thirty-First Supplemental Bonds shall be issued as Tax-Exempt Thirty-First Supplemental Bonds or Taxable Thirty-First Supplemental Bonds with a fixed rate or rates of interest to maturity and shall be dated, shall mature on such dates and in such principal amounts, shall bear interest from their date at such rate or rates payable on such dates, and shall be subject to redemption prior to maturity on such terms and conditions, as shall be determined by an Authorized Authority Official in the Series Certificate; provided, however, that in no event shall (i) the final maturity of the Thirty-First Supplemental Bonds be later than the final maturity date of the Refunded Bonds, (ii) the true interest cost of each Series of Tax-Exempt Thirty-First Supplemental Bonds exceed five and one-half percent (5.50%) per annum, (iii) the true interest cost of each Series of Taxable Thirty-First Supplemental Bonds exceed six percent (6.00%) per annum, and (iv) the redemption price for any Thirty-First Supplemental Bond, if expressed as a percentage of the principal amount of such Thirty-First Supplemental Bond to be redeemed, exceed one hundred three percent (103%) of the principal amount of such Thirty-First Supplemental Bond; provided, however, that at the option of the Authority, any Taxable Thirty-First 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 Thirty-First Supplemental Bond, if and as provided in the Series Certificate. The Thirty-First Supplemental Bonds may be issued and sold in one or more sub-Series as may be provided in the Series Certificate.

(b) Without limiting the generality of the authorization contained in the immediately preceding paragraph (a) of Section 2.1 of this Thirty-First Supplemental Resolution, it is presently anticipated, but not required, that the Thirty-First 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 Thirty-First 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 Thirty-First Supplemental Bonds.

#### **2.3. Determination in Accordance with Section 9(i) of the Act.**

The Authority hereby finds and determines that it has minimized the incurrence of debt

by first relying on appropriations and other revenues available to it for its statutory purposes; and that such finding and determination hereby and the issuance of the Thirty-First Supplemental Bonds as aforesaid are and will be in accordance with Section 9(i) of the Act.

#### **2.4. Authorization of Negotiated Sale.**

(a) The Authority hereby authorizes the sale of each Series of the Thirty-First 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 process and in accordance with Executive Order No. 26 (Whitman 1994) ("Executive Order 26"), the Authority hereby appoints RBC Capital Markets, LLC as Senior Managing Underwriter in connection with each Series of the Thirty-First Supplemental Bonds herein authorized and, upon recommendation of the Treasurer based upon Treasury's competitive RFP 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 Thirty-First Supplemental Bonds. In addition, if the Senior Managing Underwriter, a co-senior manager or co-manager requests the consent of the Authority to use another firm to provide retail distribution for any Series of the Thirty-First Supplemental Bonds, an Authorized Authority Official, in consultation with the Treasurer, and upon advice of Bond Counsel, is hereby authorized to execute such consent to the retail distribution arrangement. All such appointment(s) shall be evidenced by the execution of the Bond Purchase Contract(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 Thirty-First Supplemental Bonds does not provide any assurance that such firm will serve as a co-senior manager or co-manager for any other Series of the Thirty-First Supplemental Bonds authorized to be issued under this Thirty-First Supplemental Resolution.

(b) The purchase of one or more Series of the Thirty-First Supplemental Bonds from time to time by the Underwriters and the sale of one or more Series of the Thirty-First 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 Thirty-First 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 Thirty-First Supplemental Bonds. The Authorized Authority Officials are each hereby authorized and directed, in consultation with Bond Counsel and the State Attorney General, to negotiate the terms of the Bond Purchase Contract(s), to be dated the date of sale of the applicable Series of the Thirty-First Supplemental Bonds, between the Authority and the Senior Managing Underwriter, as representative of the Underwriters. The Authorized Authority Officials are, and each such Authorized Authority Official is, hereby authorized and directed on behalf of the Authority to approve the terms of the Bond Purchase Contract(s) relating to the sale

of each Series of the Thirty-First 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 Thirty-First Supplemental Bonds, and (ii) the aggregate principal amount, the final maturity date or dates, the true interest cost and the redemption price of such Series of the Thirty-First Supplemental Bonds does not exceed the limitations set forth in paragraph (a) of Section 2.1 of this Thirty-First Supplemental Resolution.

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

A Preliminary Official Statement (the "Preliminary Official Statement") relating to the sale of the Thirty-First Supplemental Bonds in substantially the form presented to this meeting is hereby approved, provided that Appendix I (which is provided by the State) shall be included therein, and provided further that an Authorized Authority Official is hereby authorized, with the advice of Bond Counsel and the State Attorney General, to make such changes, insertions or deletions to and omissions from the form of the Preliminary Official Statement, as may be necessary or appropriate with respect to the Thirty-First Supplemental Bonds. An Authorized Authority Official is hereby authorized, with the advice of Bond Counsel and the State Attorney General, to execute and deliver a certificate, or to include a provision in the Bond Purchase Contract(s), that "deems final" the Preliminary Official Statement relating to the Thirty-First Supplemental Bonds pursuant to the provisions of Rule 15c2-12, and such certificate or provision relating thereto shall be in a form acceptable to Bond Counsel and the State Attorney General.

#### **2.6. Authorization of the Printing and Distribution of the Preliminary Official Statement.**

The printing and distribution, via electronic medium, in addition to or in lieu of physical, printed medium, of the Preliminary Official Statement by an Authorized Authority Official in connection with the sale of each Series of the Thirty-First Supplemental Bonds, with such changes, insertions, deletions and omissions in such Preliminary Official Statement as the Authorized Authority Official authorized to print and distribute the same shall approve, with the advice of Bond Counsel and the State Attorney General, is hereby authorized. Any Authorized Authority Official is further authorized and directed to take all such other actions as such Authorized Authority Official shall deem necessary or desirable to effect a public sale of each Series of the Thirty-First Supplemental Bonds.

#### **2.7. Approval of Continuing Disclosure Agreement.**

A Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") relating to the sale of the Thirty-First Supplemental Bonds in substantially the form presented to this meeting, is hereby approved, provided that an Authorized Authority Official is hereby authorized, with the advice of Bond Counsel and the State Attorney General, to make such changes, insertions and deletions to and omissions from the form of the Continuing Disclosure Agreement as may be necessary or appropriate with respect to the Thirty-First 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 Thirty-First Supplemental Bonds and to execute such documents and instruments relating to continuing disclosure as may be necessary or desirable to enable brokers, dealers and municipal securities dealers to comply with Rule 15c2-12.

## **2.8. Approval of Escrow Deposit Agreement.**

An Escrow Deposit Agreement (the "Escrow Deposit Agreement") to be entered into by the Authority in connection with the Thirty-First Supplemental Bonds to provide for the refunding and defeasance of the Refunded Bonds to be refunded from the proceeds of the Thirty-First Supplemental Bonds, in substantially the form presented to this meeting, is hereby approved; provided that an Authorized Authority Official is hereby authorized, with the advice of Bond Counsel and the State Attorney General, to make such changes, insertions and deletions to and omissions from the form of the Escrow Deposit Agreement as may be necessary or appropriate with respect to the Thirty-First 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, Edison, New Jersey, the Trustee, as escrow agent (the "Escrow Agent"), relating to the Thirty-First 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 Thirty-First Supplemental Bonds hereby authorized, there is hereby delegated to the Authorized Authority Officials the power to take the following actions and make the following determinations as to each Series of the Thirty-First Supplemental Bonds by executing and delivering a Series Certificate or Certificates of any one such Authorized Authority Official, provided that the final terms and conditions of each Series of the Thirty-First Supplemental Bonds as set forth in the Series Certificate shall be subject to the written approval of the Treasurer:

(a) To determine, subject to the provisions of this Thirty-First 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 Thirty-First Supplemental Bonds, and any other provisions necessary to comply with the Resolution or deemed necessary or advisable by such Authorized Authority Official and which provisions are not in conflict with or in substitution for the provisions of the Resolution or the Act.

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

(d) Prior to the issuance of the first Series of the Thirty-First Supplemental Bonds, to make such revisions to this Thirty-First Supplemental Resolution as may be requested by the Joint Budget Oversight Committee as a condition to its approval of the issuance of the Thirty-First Supplemental Bonds, provided such revisions, if any, shall be set forth in the Series Certificate for the Thirty-First Supplemental Bonds.

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

(f) To file, with the Trustee, a copy of this Thirty-First 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 Thirty-First Supplemental Bonds, to execute a final Official Statement of the Authority, dated the date of sale of the Thirty-First Supplemental Bonds, substantially in the form of the Preliminary Official Statement for the Thirty-First Supplemental Bonds, with such insertions, revisions, deletions and omissions as may be authorized by the Authorized Authority Official executing the same, with the advice of Bond Counsel and the State Attorney General, and to deliver such final Official Statement to the Underwriters and to authorize the use of such final Official Statement and the information contained therein in connection with the offering and sale of the Thirty-First Supplemental Bonds.

(h) To determine the application of the proceeds of each Series of the Thirty-First 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 Thirty-First 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 Thirty-First 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 Thirty-First 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 Thirty-First 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 Thirty-First 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 Thirty-First Supplemental Bonds; and provided further, however, that if the Thirty-First Supplemental Bonds are issued in more than one Series, a Series of such Thirty-First 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 Thirty-First Supplemental Bonds, when combined with the present value of the aggregate of the principal of and interest on all other Series of the Thirty-First Supplemental Bonds sold simultaneously with such Series of the Thirty-First 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 Thirty-First Supplemental Bonds, with the present value of the aggregate of the principal of and interest on all Series of the Thirty-First 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 Thirty-First Supplemental Bonds if an Authorized Authority Official determines that such policy or policies of municipal bond insurance are necessary or desirable to achieve the economic objectives of the Authority, to include in the Series Certificate for such Series of the Thirty-First Supplemental Bonds such provisions relating to the insurance policy or policies as such Authorized Authority Official, with the advice of Bond Counsel and the State Attorney General, deems appropriate and to include on the form of any Thirty-First Supplemental Bond which is insured by a municipal bond insurance policy a statement of insurance in the form requested by the issuer of such municipal bond insurance policy. The cost of any such policy or policies of municipal bond insurance may be paid from the proceeds of the applicable Series of the Thirty-First 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 Thirty-First 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 Thirty-First 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 Thirty-First Supplemental Bonds, and to include in the Series Certificate for the Thirty-First Supplemental Bonds such provisions relating to the rating(s) as an

Authorized Authority Official, with the advice of Bond Counsel and the State Attorney General, deems appropriate. The cost of any such rating(s) may be paid from the proceeds of such Series of the Thirty-First Supplemental Bonds.

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

All matters determined by an Authorized Authority Official under the authority of this Thirty-First Supplemental Resolution shall constitute and be deemed matters incorporated into this Thirty-First Supplemental Resolution and approved by the Authority, and whenever an Authorized Authority Official is authorized, directed or delegated the power to take or refrain from taking any action pursuant to this Thirty-First Supplemental Resolution with or upon the advice, consent or consultation with or by any other person, agency, office or official, a certificate of such Authorized Authority Official may be relied upon as being determinative that such advice, consultation or consent has in fact occurred and that such actions or omissions of the Authorized Authority Official are valid and binding.

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

Each Series of the Thirty-First Supplemental Bonds shall be issued in fully registered form in the denominations as set forth in the applicable Series Certificate. Unless the Authority shall otherwise direct, each Series of the Thirty-First Supplemental Bonds shall be lettered and numbered from one upward preceded by the letter "R" prefixed to the number. Subject to the provisions of the Resolution, the form of the Thirty-First Supplemental Bonds and the Trustee's Certificate of Authentication thereon shall be substantially in the form set forth in Section 2.14 of this Thirty-First Supplemental Resolution.

## **2.11. Redemption.**

Each Series of the Thirty-First 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 Thirty-First Supplemental Bonds shall be, and the Thirty-First Supplemental Bonds shall be registered in the name of, Cede & Co., as nominee of DTC. With respect to the Thirty-First Supplemental Bonds for which Cede & Co. shall be the registered Holder, payment of interest on such Thirty-First Supplemental Bonds shall be made by wire transfer of same day funds to the account of Cede & Co. on the Interest Payment Dates for the Thirty-First Supplemental Bonds at the address indicated for Cede & Co. in the registration books of the Authority kept by the Trustee, as Bond Registrar.

2. The Thirty-First Supplemental Bonds of each Series shall be initially issued in the form of a separate fully registered bond in the amount of each separate maturity. Upon initial issuance, the ownership of each such Thirty-First Supplemental Bond shall be registered on the registration books of the Authority kept by the Trustee in the name of Cede & Co. With respect to Thirty-First Supplemental Bonds so registered in the name of Cede & Co., the Authority and the Trustee shall have no responsibility or obligation to any DTC participant, indirect DTC participant, or any beneficial owner of a Thirty-First Supplemental Bond. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC participant or indirect DTC participant with respect to any beneficial ownership interest in a Thirty-First Supplemental Bond, (ii) the delivery to any DTC participant, indirect DTC participant, beneficial owner or any other person, other than DTC or Cede & Co., of any notice with respect to a Thirty-First Supplemental Bond, or (iii) the payment to any DTC participant, indirect DTC participant, beneficial owner or any other person, other than DTC or Cede & Co., of any amount with respect to the principal of, redemption premium, if any, or interest on a Thirty-First Supplemental Bond. The Authority and the Trustee may treat DTC as, and deem DTC to be, the absolute registered Holder of each Thirty-First Supplemental Bond for the purpose of (i) payment of the principal of, redemption premium, if any, and interest on each such Thirty-First Supplemental Bond, (ii) giving notices with respect to the Thirty-First Supplemental Bond, (iii) registering transfers with respect to a Thirty-First Supplemental Bond and (iv) for all other purposes whatsoever. The Trustee shall pay the principal of, redemption premium, if any, and interest on each Thirty-First Supplemental Bond only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to such principal and interest to the extent of the sum or sums so paid. No person other than DTC shall receive a Thirty-First Supplemental Bond evidencing the obligation of the Authority to make payments of principal and interest thereon pursuant to this Thirty-First Supplemental Resolution. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions hereof, the words "Cede & Co." in this Thirty-First Supplemental Resolution shall refer to such new nominee of DTC.



3. (a) DTC may determine to discontinue providing its services with respect to a particular Series of the Thirty-First Supplemental Bonds at any time by giving written notice to the Authority and discharging its responsibilities with respect thereto under applicable law. Upon receipt of such notice, the Authority shall promptly deliver a copy of same to the Trustee.

(b) The Authority, (i) in its sole discretion and without the consent of any other person, may discontinue the use of book-entry-only transfer through DTC (or a successor securities depository) with respect to a particular Series of the Thirty-First Supplemental Bonds, in which event certificates for such Thirty-First Supplemental Bonds shall be printed and delivered to DTC, and (ii) shall terminate the services of DTC with respect to a particular Series of the Thirty-First Supplemental Bonds upon receipt by the Authority and the Trustee of written notice from DTC to the effect that DTC has received written notice from DTC participants or indirect DTC participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Thirty-First Supplemental Bonds of such Series to the effect, that (A) DTC is unable to discharge its responsibilities with respect to such Thirty-First Supplemental Bonds; or (B) a continuation of the requirement that all of the Outstanding Thirty-First Supplemental Bonds of such Series be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Thirty-First Supplemental Bonds of such Series.

(c) Upon the termination of the services of DTC with respect to the Thirty-First 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 Thirty-First 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 Thirty-First Supplemental Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names the Holders of such Thirty-First Supplemental Bonds transferring or exchanging such Thirty-First Supplemental Bonds shall designate, in accordance with the provisions of the Resolution. Upon the determination by any party authorized herein that the Thirty-First Supplemental Bonds of such Series shall no longer be limited to book-entry only form, the Authority shall immediately advise the Trustee in writing of the procedures for transfer of such Thirty-First Supplemental Bonds from such book-entry only form to a fully registered form.

4. Notwithstanding any other provision of this Thirty-First Supplemental Resolution to the contrary, so long as any Thirty-First Supplemental Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, redemption premium, if any, and interest on, and all notices with respect to, such Thirty-First Supplemental Bond shall be made and given, respectively, to DTC as provided in the Letter of Representations of the Authority and the Trustee, addressed to DTC, with respect to the applicable Series of Thirty-First Supplemental Bonds.

5. In connection with any notice or other communication to be provided to Holders of the Thirty-First Supplemental Bonds of any Series pursuant to the Resolution by the Authority or the Trustee with respect to any consent or other action to be taken by such Holders, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

6. The Authority hereby authorizes the Treasurer, by and on behalf of the Authority, and in consultation with an Authorized Authority Official, to determine from time to time, subject to confirmation and ratification by the Authority, whether or not it is advisable for the Authority to continue the book-entry system or to replace DTC with another qualified securities depository as successor to DTC.

### **2.13. Application of Proceeds of the Thirty-First Supplemental Bonds.**

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

1. 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 Thirty-First Supplemental Resolution, there shall be sent by wire transfer directly from the Senior Managing Underwriter to the provider of such policy or policies of municipal bond insurance, an amount as shall be specified in the applicable Series Certificate constituting the premium for such policy or policies;

2. 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 Thirty-First Supplemental Bonds, to be known as the "2019 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 Thirty-First Supplemental Bonds, as specified in the applicable Series Certificate; and

3. 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 Thirty-First Supplemental Bonds in the amount specified in the applicable Series Certificate.

### **2.14. Form of the Thirty-First Supplemental Bonds and Trustee's Certificate of Authentication.**

Subject to the provisions of the Resolution, the form of each Series of the Thirty-First 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,  
2019 SERIES \_\_

THE PRINCIPAL OR REDEMPTION PRICE OF AND INTEREST ON THE 2019 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 2019 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 2019 SERIES \_\_ BOND OR THE ISSUE OF WHICH IT IS ONE. THE AUTHORITY HAS NO TAXING POWER.

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

| <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Dated Date</u> | <u>Authentication</u><br><u>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 2019 Series \_\_ Bond at the principal corporate trust office of U.S. Bank National Association, Edison, 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, 2020, 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 2019 Series \_\_ Bond is one of a duly authorized series of bonds of the Authority designated "Transportation System Bonds, 2019 Series \_\_" (herein called the 2019 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 Thirty-First Supplemental Transportation System Bond Resolution of the Authority authorizing the 2019 Series \_\_ Bonds adopted on \_\_\_\_\_, 2019 and a Series Certificate duly executed by an Authorized Authority Official as of \_\_\_\_\_, 2019 (collectively, the "Resolution").

As provided in the Resolution, the 2019 Series \_\_ Bonds and all other bonds issued under the Resolution on a parity with the 2019 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 2019 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 2019 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 2019 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 2019 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 2019 Series \_\_ Bonds are subject to redemption prior to maturity, upon notice as hereinafter provided:

[INSERT REDEMPTION PROVISIONS HERE]

The principal amount of the 2019 Series \_\_ Bonds otherwise required to be redeemed may be reduced by the principal amount of such 2019 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 2019 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 2019 Series \_\_ Bonds or portions of 2019 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 2019 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 2019 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 2019 Series \_\_ Bonds or portions thereof so called for redemption shall cease to accrue and be payable. Failure of the registered owner of any 2019 Series \_\_ Bonds which are to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of 2019 Series \_\_ Bonds.

THE PRINCIPAL OR REDEMPTION PRICE OF AND INTEREST ON THE 2019 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 2019 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 2019 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 2019 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 2019 Series \_\_ Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this 2019 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 2019 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 2019 SERIES \_\_ BONDS]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This 2019 Series \_\_ Bond is one of the 2019 Series \_\_ Bonds delivered pursuant to the within mentioned Resolution.

**U.S. BANK NATIONAL ASSOCIATION,  
as Trustee**

By: \_\_\_\_\_  
Authorized Officer

Date of Authentication: \_\_\_\_\_



### **ARTICLE III MISCELLANEOUS**

#### **3.1. Registration or Qualification of Bonds Under Blue Sky Laws of Various Jurisdictions.**

The Authorized Authority Officials are authorized and directed on behalf of the Authority to take any and all action which they deem necessary or advisable in order to effect the registration or qualification (or exemption therefrom) of each Series of the Thirty-First Supplemental Bonds for issue, offer, sale or trade under the blue sky or securities laws of any of the states of the United States of America and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports (except consents to service of process in any jurisdiction outside the State) and other papers and instruments which may be required under such laws, and to take any and all further action which they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem necessary or as required by law or by the Underwriters for such securities.

#### **3.2. Payments from Authority 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 Thirty-First 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.

#### **3.3. Amendment to Post Issuance Tax Compliance Procedures.**

There is hereby delegated to the Authorized Authority Officials the authority to develop, amend and supplement based on changes to the Code, in consultation with Bond Counsel and the State Attorney General, amendments to the Authority's post issuance tax compliance procedures as required by the Code and the regulations promulgated thereunder for the Thirty-First Supplemental Bonds, all outstanding obligations previously issued by the Authority and all future obligations to be issued by the Authority. The Authorized Authority Officials are authorized to execute any document in connection with the implementation and approval of the amendments to the post issuance tax compliance procedures, including execution of a Memorandum of Understanding with the New Jersey Transit Corporation.

#### **3.4. Tax Compliance Officer.**

The continuing appointment of the Comptroller of the Authority as the Tax Compliance Officer with respect to the Thirty-First Supplemental Bonds, all outstanding bonds previously issued by the Authority, and all future obligations to be issued by the Authority in order for the Authority to comply with the requirements of the Code and regulations promulgated thereunder is hereby confirmed.

**ARTICLE IV**  
**EFFECTIVE DATE**

**4.1. Effective Date.**

This Thirty-First Supplemental Resolution shall take effect upon its adoption in accordance with the Act, but this Thirty-First Supplemental Resolution shall not become effective and no action shall be taken hereunder unless and until (i) the Chairperson or the Executive Director of the Authority shall have received the written approval of the Governor and the Treasurer as required pursuant to Section 9 of the Act, and (ii) a copy of this Thirty-First 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.

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**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**

\$\_\_\_\_\_Transportation System Bonds, 2019 Series A  
\$\_\_\_\_\_Transportation System Bonds, 2019 Series B (Federally Taxable)

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**BOND PURCHASE CONTRACT**

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**Dated: \_\_\_\_\_, 2019**

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\_\_\_\_\_, 2019

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 \$\_\_\_\_\_ aggregate principal amount of Transportation System Bonds, 2019 Series A (the “2019 Series A Bonds”) and \$\_\_\_\_\_ aggregate principal amount of Transportation System Bonds, 2019 Series B (Federally Taxable) (the “2019 Series B Bonds” and together with the 2019 Series A Bonds, the “2019 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 2019 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 (i) 2019 Series A Bonds at an aggregate purchase price (the “2019 Series A Purchase Price”) of \$\_\_\_\_\_, which is equal to the aggregate principal amount of 2019 Series A Bonds, plus net original issue premium in the amount of \$\_\_\_\_\_, and less an Underwriters’ discount in the amount of \$\_\_\_\_\_ and (ii) 2019 Series B Bonds at an aggregate purchase price (the “2019 Series B Purchase Price” and together with the 2019 Series A Purchase Price, the “2019 Series Purchase Price”) of \$\_\_\_\_\_, which is equal to the aggregate principal amount of 2019 Series B Bonds, less an Underwriters’ discount in the amount of \$\_\_\_\_\_. The 2019 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 2019 Series Bonds shall be subject to redemption prior to maturity as set forth in Schedule II.

The 2019 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 Thirty-First Supplemental Transportation System Bond Resolution adopted by the Authority on October 17, 2019 (the “Thirty-First 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 Thirty-First Supplemental Resolution and the Series Certificate, is collectively referred to herein as the “Resolution.” Capitalized terms used but not defined in this Purchase Contract shall have the meanings given to them in the Resolution or in the Official Statement (as hereinafter defined). U.S. Bank National Association has been appointed trustee (the “Trustee”) for obligations to be issued under the Resolution.

The 2019 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 2019 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 October 3, 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 2019 SERIES BONDS. THE 2019 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 2019 SERIES BONDS. THE 2019 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 2019 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 2019 Series Bonds and to offer and sell the 2019 Series Bonds to certain dealers (including dealers depositing the 2019 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 2019 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 2019 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 2019 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 2019 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 \_\_\_\_\_, 2019 (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](http://www.elec.state.nj.us).

2. **Good Faith Deposit.** The Manager herewith delivers, as a good faith deposit, either a corporate check payable to the order of the Authority or a wire transfer of federal funds in the amount of \$\_\_\_\_\_, which represents one percent (1.00%) of the par amount of the 2019 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 2019 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 2019 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 2019 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 2019 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 2019 Series A 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 2019 Series A Bonds.

The Authority will treat the first price at which 10% of each maturity of the 2019 Series A 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 2019 Series A 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 II attached hereto. The Manager confirms that the Underwriters have, as of the date of this Purchase Contract, satisfied the 10% test for each maturity of the 2019 Series A Bonds.

The Underwriters acknowledge that sales of any 2019 Series A 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 2019 Series A 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 2019 Series A Bonds to the public),

(iii) a purchaser of any of the 2019 Series A 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 \_\_\_\_\_, 2019, relating to the 2019 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 2019 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 2019 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 2019 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 2019 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 2019 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 2019 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 2019 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 2019 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 2019 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 2019 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 2019 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 2019 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 limited liability company 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 2019 Series A 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 2019 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 2019 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 2019 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 2019 Series Bonds under this Purchase Contract.

7. **Closing.** At 10:00 a.m. prevailing Eastern Time, on \_\_\_\_\_, 2019, 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 2019 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 2019 Series Bonds and pay the Purchase Price at the Closing in Federal Reserve Funds or other immediately available funds payable to the Authority or to the Trustee (or upon the Authority’s direction to any other account). Simultaneously with the payment of the Purchase Price, the Underwriters shall pay \$50,000 (the “Retainage”), or cause the Retainage to be paid, to the Trustee, which Retainage shall be applied by the Trustee in accordance with the provisions of Section 10(d) hereof. It is anticipated that CUSIP identification numbers will be printed on the 2019 Series Bonds, but neither the failure to print such numbers on any 2019 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 2019 Series Bonds in accordance with the terms of this Purchase Contract. The 2019 Series Bonds shall be printed on safety paper and delivered in the form of a single fully registered bond for each stated maturity of each Series and interest rate within a maturity of each 2019 Series Bond, registered in the name of and to be held by or on behalf of Cede & Co., as nominee of DTC. The 2019 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 2019 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 2019 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 2019 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 2019 Series Bonds in the hands of the holders thereof, and which in the Manager's reasonable opinion, materially adversely affects the marketability of the 2019 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 2019 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 2019 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 2019 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 2019 Series Bonds or (y) the ability of the Underwriters to enforce confirmations of or contracts for the sale of the 2019 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 2019 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 2019 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 Thirty-First Supplemental Resolution by the Authority at a meeting held on \_\_\_\_\_, 2019;

(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 \_\_\_\_\_, 2019, as they relate to various actions taken in connection with the issuance of the 2019 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 2019 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 2019 Series A Bonds dated the date of Closing;

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

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

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

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

(xiii) the written order as to delivery of the 2019 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 2019 Series A 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;

(xxi) [a municipal bond insurance policy (the "Policy") shall have been issued by Build America Mutual Assurance Company (the "Insurer") insuring the principal of and interest when due on the 2019 Series Bonds maturing on \_\_\_\_\_, 20\_\_\_\_;] and

(xxii) 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 2019 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 2019 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 2019 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 2019 Series Bonds are sold to the Underwriters hereunder, there shall be paid from the proceeds of the 2019 Series Bonds, all expenses incidental to the issuance of the 2019 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 2019 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 2019 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 2019 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:**

RBC Capital Markets, LLC  
200 Park Avenue, 2<sup>nd</sup> Floor  
Florham Park, New Jersey 07932  
Attention: Brian Burke, 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 2019 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 2019 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.

**RBC CAPITAL MARKETS, LLC, on  
behalf of the Underwriters, including  
itself**

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

Name: BRIAN BURKE

Title: Managing Director

ACCEPTED at \_\_\_\_\_ p.m. E.S.T. this \_\_\_\_ day of \_\_\_\_\_, 2019:

**NEW JERSEY TRANSPORTATION TRUST  
FUND AUTHORITY**

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

LEWIS DAIDONE

Executive Director

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

RBC Capital Markets, LLC

## SCHEDULE II

### AMOUNTS, MATURITIES, OTHER TERMS AND REDEMPTION PROVISIONS OF THE 2019 SERIES BONDS

\$ \_\_\_\_\_

#### Transportation System Bonds, 2019 Series A

| Maturity Date | Principal Amount | Interest Rate | Yield | Price |
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\* Priced at the stated yield to the first optional redemption date of December 15, 20\_\_.

† Insured by \_\_\_\_\_.

\$ \_\_\_\_\_

#### Transportation System Bonds, 2019 Series B (Federally Taxable)

| Maturity Date | Principal Amount | Interest Rate | Yield | Price |
|---------------|------------------|---------------|-------|-------|
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\* Priced at the stated yield to the first optional redemption date of December 15, 20\_\_.

† Insured by \_\_\_\_\_.

## Redemption Provisions

Optional Redemption. The 2019 Series Bonds maturing on or after December 15, 20\_\_ are subject to optional redemption prior to maturity at the option of the Authority, at any time on or after December 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 2019 Series Bonds being redeemed, plus accrued interest thereon to the redemption date.

Selection of Bonds to be Redeemed. If the 2019 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 2019 Series Bonds and if less than all of the 2019 Series Bonds of a maturity are called for prior redemption, the particular 2019 Series Bonds or portions thereof to be redeemed shall be selected on a pro rata basis in accordance with DTC procedures.

If the 2019 Series Bonds are not registered in book-entry only form, any redemption of less than all of a maturity of the 2019 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 2019 Series Bonds, and when redemption of the 2019 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 2019 Series Bonds, which notice shall specify the maturities of the 2019 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 2019 Series Bonds of the same maturity are to be redeemed, the letters and numbers or other distinguishing marks of such 2019 Series Bonds so to be redeemed, and, in the case of 2019 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 2019 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 2019 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 2019 Series Bonds or portions of 2019 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 2019 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 2019 Series Bonds.

So long as DTC is acting as securities depository for the 2019 Series Bonds, all notices of redemption required to be given to the registered owners of the 2019 Series Bonds will be given to DTC.



## EXHIBIT A

### FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

\_\_\_\_\_, 2019

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

RBC Capital Markets, LLC, as  
Manager of the Underwriters  
200 Park Avenue, 2<sup>nd</sup> Floor  
Florham Park, New Jersey 07932

Re: New Jersey Transportation Trust Fund Authority  
Transportation System Bonds, 2019 Series A and Transportation System  
Bonds, 2019 Series B (Federally Taxable)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance of \$\_\_\_\_\_ aggregate principal amount of Transportation System Bonds, 2019 Series A (the “2019 Series A Bonds”) and \$\_\_\_\_\_ aggregate principal amount of Transportation System Bonds, 2019 Series B (Federally Taxable) (the “2019 Series B Bonds” and together with the 2019 Series A Bonds, the “2019 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 2019 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 Thirty-First Supplemental Transportation System Bond Resolution adopted by the Authority on October 17, 2019 (the “Thirty-First 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 Thirty-First Supplemental Resolution, and, together with the Series Certificate, is referred to collectively herein as the “Resolution.” Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Resolution or the Bond Purchase Contract relating to the 2019 Series Bonds, dated \_\_\_\_\_, 2019 (the “Purchase Contract”), between the Authority

and RBC Capital Markets, LLC, as Manager, acting on behalf of itself and the other Underwriters named therein.

The 2019 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 2019 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 October 3, 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 2019 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 2019 SERIES BONDS,” “STATUTORY DEBT ISSUANCE LIMITATIONS,” “PRIOR BONDS,” “PLAN OF FINANCE,” “DESCRIPTION OF THE 2019 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 2019 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 2019 Series Bonds, and its obligations under the Resolution and the State Contract relating to the 2019 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 2019 Series Bonds and the information contained in the sections therein entitled “LITIGATION” [and

“BOND INSURANCE”] and in Appendi[ces][x] 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 2019 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 2019 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**

**\$\_\_\_\_\_ Transportation System Bonds, 2019 Series A and  
\$\_\_\_\_\_ Transportation System Bonds, 2019 Series B (Federally Taxable)**

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 \_\_\_\_\_, 2019, relating to the issuance of \$\_\_\_\_\_ aggregate principal amount of the New Jersey Transportation Trust Fund Authority's Transportation System Bonds, 2019 Series A and \$\_\_\_\_\_ aggregate principal amount of the New Jersey Transportation Trust Fund Authority's Transportation System Bonds, 2019 Series B (Federally Taxable), 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 \_\_\_\_\_, 2019.

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, Brian Burke, Managing Director of RBC Capital Markets, LLC (the “Manager”), in reliance upon the representations and warranties made to the Manager in the Agreement Among Underwriters, dated \_\_\_\_\_, 2019, by the other Underwriters (collectively, the “Underwriters”) listed on Schedule I to the Bond Purchase Contract (the “Purchase Contract”), dated \_\_\_\_\_, 2019, 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 \$\_\_\_\_\_ Transportation System Bonds, 2019 Series A and \$\_\_\_\_\_ Transportation System Bonds, 2019 Series B (Federally Taxable) (collectively, the “2019 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 2019 Series Bonds.

IN WITNESS WHEREOF, I have executed this Certificate this \_\_\_\_ day of \_\_\_\_\_, 2019.

**RBC CAPITAL MARKETS, LLC**

By: \_\_\_\_\_  
Name: Brian Burke  
Title: Managing Director

**EXHIBIT D**

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

\_\_\_\_\_, 2019

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  
\$ \_\_\_\_\_ Transportation System Bonds, 2019 Series A  
\$ \_\_\_\_\_ Transportation System Bonds, 2019 Series B (Federally Taxable)

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 sale and issuance of the above-referenced obligations (collectively, the "Bonds"). The Bonds are being issued in accordance with the provisions of the New Jersey Transportation Trust Fund Authority Act of 1984, L. 1984, c.73, as amended (the "Act").

We have examined executed copies of: (i) the 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 October 3, 2018 (the "State Contract"), by and among the State Treasurer, the Authority, and the Commissioner of the New Jersey Department of Transportation; (ii) the 1995 Transportation System Bond Resolution adopted by the Authority on June 15, 1995, as amended and supplemented (the "Bond Resolution"), including as amended and supplemented by the Thirty-First Supplemental Transportation System Bond Resolution adopted by the Authority on October 17, 2019 (the "Thirty-First Supplemental Resolution"), and a Series Certificate of the Authority, dated \_\_\_\_\_, 2019 (the "Series Certificate") (collectively, the Bond Resolution, the Thirty-First Supplemental Resolution and the Series Certificate are referred to herein as the "Resolution"); (iv) the Bond Purchase Contract, dated \_\_\_\_\_, 2019, between the Authority and RBC Capital Markets LLC, the manager on behalf of the underwriters listed on Schedule I to the Bond Purchase Contract; (v) the Official Statement, dated \_\_\_\_\_, 2019 (the "Official Statement"); (vi) the Continuing Disclosure Agreement, dated \_\_\_\_\_, 2019 (the "Continuing Disclosure Agreement"), among the Authority, the State Treasurer and U.S. Bank National Association, as Dissemination Agent; and (vii) the Escrow Deposit Agreement, dated \_\_\_\_\_, 2019 (the "Escrow Deposit

Agreement”) by and between the Authority and U.S. Bank National Association, as Escrow Agent.

In connection with the opinions set forth below, we have examined such other documents, records of the Authority and other instruments, including original counterparts or certified copies of the State Contract, the Bond Resolution, Thirty-First Supplemental Resolution, the Series Certificate, the Bond Purchase Contract, the Continuing Disclosure Agreement, the Escrow Deposit Agreement, the Official Statement, and the other documents listed in the closing memorandum relating to the Bonds 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 given to them in the Resolution.

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 Thirty-First 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, the Bond Purchase Contract or the 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 Thirty-First Supplemental Resolution, the Series Certificate, the Continuing Disclosure Agreement, the Bond Purchase Contract, the Escrow Deposit Agreement, or the State Contract or the validity of the Bonds, nor do we have direct personal knowledge that any such litigation or proceeding is threatened.

2. The adoption of the Bond Resolution and the Thirty-First Supplemental Resolution, the execution and delivery of the State Contract, the Bond Purchase 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. No additional or further approval, consent or authorization of any governmental or public agency or authority or any institution not already obtained is required for the adoption and execution by the Authority and performance of its obligations under the Bond Resolution, the Thirty-First Supplemental Resolution, the Series Certificate, the State Contract, the Bond Purchase Contract, the Continuing Disclosure Agreement or the Escrow Deposit Agreement, with the exception that the offer and sale of the Bonds in certain jurisdictions may be subject to the provisions of the securities or “Blue Sky” laws of such jurisdictions.

4. Based upon 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 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, nor do we have direct personal knowledge that any such litigation or proceeding is threatened.

5. No approval or other action by any governmental body, authority or agency is required in connection with the execution or performance by the State Treasurer of the obligations under the State Contract or the Continuing Disclosure Agreement which has not already been obtained or taken; provided, however, that any payments under the State Contract are subject to, and dependent upon appropriation by the State Legislature.

6. 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.

In addition, we wish to advise you that no opinion is being rendered as to the availability of any particular remedy under any of the documents set forth above. 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. This opinion is rendered solely in connection with the issuance of the Bonds by the Authority and may not be relied upon by any person other than the addressees hereof.

Sincerely yours,

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY

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

**EXHIBIT E**

**FORM OF OPINION OF COUNSEL TO UNDERWRITERS**

\_\_\_\_\_, 2019

RBC Capital Markets, LLC and the other  
Underwriters listed on Schedule I  
to the Bond Purchase Contract  
c/o RBC Capital Markets, LLC

\_\_\_\_\_  
\_\_\_\_\_

**Re: New Jersey Transportation Trust Fund Authority  
Transportation System Bonds, 2019 Series A and  
Transportation System Bonds, 2019 Series B (Federally Taxable)**

Ladies and Gentlemen:

We have acted as your counsel in your capacity as Underwriters (the "Underwriters") in connection with the purchase by you from the 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 pursuant to the New Jersey Transportation Trust Fund Authority Act, constituting Chapter 73 of the Laws of 1984 of the State, as amended and supplemented (the "Act"), on the date hereof of \$\_\_\_\_\_ aggregate principal amount of the Authority's Transportation System Bonds, 2019 Series A (the "2019 Series A Bonds") and \$\_\_\_\_\_ aggregate principal amount of the Authority's Transportation System Bonds, 2019 Series B (Federally Taxable) (the "2019 Series B Bonds" and together with the 2019 Series A Bonds, the "2019 Series Bonds"). The 2019 Series Bonds are being purchased by the Underwriters pursuant to the Bond Purchase Contract, dated \_\_\_\_\_, 2019 (the "Bond Purchase Contract"), between the Underwriters and the Authority.

The 2019 Series Bonds are being issued by the Authority pursuant to the Act and a resolution of the Authority adopted June 15, 1995 entitled "1995 Transportation System Bond Resolution" (the "Bond Resolution"), as amended and supplemented from time to time, including by the Authority's Thirty-First Supplemental Transportation System Bond Resolution adopted on October 17, 2019 (the "Thirty-First Supplemental Resolution") and a Series Certificate dated \_\_\_\_\_, 2019 (the "Series Certificate" and, together with the Bond Resolution, as amended and supplemented, including by the Thirty-First Supplemental Resolution, the "Resolution").

In connection with the issuance and sale of the 2019 Series Bonds, the Authority distributed its Preliminary Official Statement, dated \_\_\_\_\_, 2019 relating to the 2019 Series Bonds (said Preliminary Official Statement, including the Appendices thereto, being referred to herein as the "Preliminary Official Statement"). The 2019 Series Bonds are being offered by the Underwriters pursuant to the Official Statement of the Authority, dated \_\_\_\_\_, 2019, relating to the 2019 Series Bonds (said Official Statement, including the Appendices thereto, being referred to herein as the "Official Statement").

In our capacity as your counsel, we have examined:

- (a) the Act;
- (b) the Bond Purchase Contract;
- (c) a certified copy of the Resolution;
- (d) the Preliminary Official Statement;
- (e) the Official Statement;
- (f) the Continuing Disclosure Agreement, dated as of \_\_\_\_\_, 2019 (the "Continuing Disclosure Agreement"), by and among the Treasurer of the State of New Jersey (the "State Treasurer"), the Authority and U.S. Bank National Association, as Dissemination Agent (the "Dissemination Agent"), in its capacity as trustee under the Resolution, relating to the 2019 Series Bonds;
- (g) a transcript of the proceedings of the Authority relating to the authorization, issuance and delivery of the 2019 Series Bonds; and
- (h) such other documents, proceedings and matters of law as we have considered necessary to enable us to render this opinion.

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

1. The 2019 Series Bonds are exempted securities as described in Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 304(a)(4) of the Trust Indenture Act of 1939, as amended, to the extent provided in such Acts, respectively, and it is not necessary in connection with the sale of the 2019 Series Bonds to the public to register the 2019 Series Bonds under the Securities Act of 1933, as amended, or to qualify the Resolution under the Trust Indenture Act of 1939, as amended.

2. Assuming the Continuing Disclosure Agreement has been duly authorized, executed and delivered by each of the State Treasurer, the Authority and the Dissemination Agent, and the Continuing Disclosure Agreement constitutes a legal, valid and binding obligation of each of the State Treasurer, the Authority and the Dissemination Agent enforceable in accordance with its terms, the terms and provisions of the Continuing Disclosure Agreement satisfy the requirements of paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"), insofar as the Continuing Disclosure Agreement contains the elements required for the written agreement or contract referenced in paragraphs (b)(5)(i), (ii) and (iv) of the Rule.

We have participated in the preparation of the Preliminary Official Statement and the Official Statement, and in that connection have participated in conferences with representatives of, among others, the Authority, Bond Counsel to the Authority, the State Treasurer and the State of New Jersey Attorney General's office. Based upon our participation in the preparation and review of the

Preliminary Official Statement and the Official Statement as counsel to the Underwriters and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, we have no reason to believe that (A) as of the date of the Preliminary Official Statement, the Preliminary Official Statement (except for (i) the omission of certain information relating to the terms and details of the 2019 Series Bonds which is permitted to be omitted therefrom in accordance with paragraph (b)(1) of the Rule, and (ii) the tabular, financial and statistical data and forecasts, numbers, charts, estimates, projections, assumptions and expressions of opinion included therein, and the information with respect to the Depository Trust Company and the book-entry only system under the heading "DESCRIPTION OF THE 2019 SERIES BONDS" therein and in APPENDIX VI thereto, as to which we express no view) contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (B) as of the date of the Official Statement, the Official Statement (except for the tabular, financial and statistical data and forecasts, numbers, charts, estimates, projections, assumptions and expressions of opinion included therein, and the information with respect to the Depository Trust Company and the book-entry only system under the heading "DESCRIPTION OF THE 2019 SERIES BONDS" therein and in APPENDIX VI thereto, as to which we express no view) contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or (C) as of the date hereof, the Official Statement (except for the tabular, financial and statistical data and forecasts, numbers, charts, estimates, projections, assumptions and expressions of opinion included therein, and the information with respect to the Depository Trust Company and the book-entry only system under the heading "DESCRIPTION OF THE 2019 SERIES BONDS" therein and in APPENDIX VI thereto, as to which we express no view) contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

This opinion letter is being rendered solely for the benefit of the Underwriters in connection with the transactions contemplated by the issuance of the 2019 Series Bonds and may not be relied upon by any other person, firm or entity without our prior written consent.

Very truly yours,

## EXHIBIT F

### FORM OF ISSUE PRICE CERTIFICATE

\_\_\_\_\_, 2019

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<br>\$_____ Transportation System Bonds, 2019 Series A |
|-----|--|

RBC Capital Markets, LLC, 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 \$\_\_\_\_\_ Transportation Series Bonds, 2019 Series A (the “2019 Series Bonds”), pursuant to the Bond Purchase Contract dated \_\_\_\_\_, 2019 (the “Sale Date”) with respect to the 2019 Series Bonds (the “Purchase Contract”), hereby represents in connection with the sale and issuance of the 2019 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 I to the Purchase Contract.

2. ***Defined Terms.***

(a) ***General Rule Maturities*** means all Maturities of the 2019 Series Bonds listed in Schedule I to the Purchase Contract.

(b) ***Issuer*** means the New Jersey Transportation Trust Fund Authority.

(c) ***Maturity*** means 2019 Series Bonds with the same credit and payment terms. 2019 Series Bonds with different maturity dates, or 2019 Series Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) ***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.

(e) *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).

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the 2019 Series Bonds. The Sale Date of the 2019 Series Bonds is \_\_\_\_\_, 2019.

(g) *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 2019 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 2019 Series Bonds to the Public).

[3. Bond Insurance. \_\_\_\_\_ (the "Insurer") is issuing a bond insurance policy (the "Policy") insuring payment of the principal and interest on the 2019 Series Bonds maturing December 15, 20\_\_\_. A premium in the amount of \$\_\_\_\_\_ is being paid to the Insurer from proceeds of the 2019 Series Bonds on the date hereof for bond insurance with respect to the 2019 Series Bonds. The premium paid for the Policy represents a reasonable charge for the transfer of credit risk and was an arm's length charge at the time the commitment was given by the Insurer. We reasonably expect that the present value of the premium for the Policy on the 2019 Series Bonds is less than the present value of the interest expected to be saved on the 2019 Series Bonds, as a result of obtaining the bond insurance. Present value is computed using the yield on the 2019 Series Bond determined with regard to the premium payments for the Policy as the discount rate and assumes that all of the 2019 Series Bonds are sold to the public at the Initial Offering Prices. The bond insurance is a factor in the marketing of the 2019 Series Bonds.]

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[, including the Policy,] equals the present value of the aggregate of the "issue prices" of such issue of bonds. The 2019 Series Bonds maturing on December 15, 20\_\_\_, December 15, 20\_\_\_ and December 15, 20\_\_\_ through December 15, 20\_\_\_, inclusive (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 2019 Series Bonds. The Premium Bonds are subject to optional early redemption. In calculating the

yield on the 2019 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 2019 Series Bonds. The yield on the 2019 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 2019 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 2019 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 2019 Series Bonds is fair and reasonable under the circumstances.

7. Market Based Premium. The amount of the premium included in the pricing of the 2019 Series Bonds is reasonable to efficiently market the 2019 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 2019 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.

**RBC CAPITAL MARKETS, LLC, on  
behalf of the Underwriters, including  
itself**

By: \_\_\_\_\_  
Name: Brian Burke  
Title: Managing Director



## EXHIBIT G

### FORM OF CERTIFICATION OF UNDERWRITERS AS TO DISCLOSURE

I, Brian Burke, Managing Director of RBC Capital Markets, LLC, as Manager (the “Manager”), in reliance upon the representations and warranties made to the Manager in the Agreement Among Underwriters, dated \_\_\_\_\_, 2019, by the other Underwriters (collectively the “Underwriters”) listed in Schedule I to the Bond Purchase Contract, dated \_\_\_\_\_, 2019 (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 \$\_\_\_\_\_ Transportation System Bonds, 2019 Series A and \$\_\_\_\_\_ Transportation System Bonds, 2019 Series B (Federally Taxable) (the “2019 Series B Bonds” and together with the 2019 Series A Bonds, 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 \_\_\_\_\_, 2019 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 \_\_\_\_\_, 2019.

**RBC Capital Markets, LLC**

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

Name: Brian Burke

Title: Managing Director

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER \_\_, 2019

**NEW ISSUE – BOOK-ENTRY ONLY**

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

\$ \_\_\_\_\_ \*

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**

**TRANSPORTATION SYSTEM BONDS**

\$ \_\_\_\_\_ \* **2019 SERIES A (TAX-EXEMPT)**

\$ \_\_\_\_\_ \* **2019 SERIES B (FEDERALLY TAXABLE)**

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, 2019 Series A (Tax-Exempt) (the "2019 Series A Bonds") and its \$ \_\_\_\_\_ \* Transportation System Bonds, 2019 Series B (Federally Taxable) (the "2019 Series B Bonds"; and together with the 2019 Series A Bonds, the "2019 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 2019 Series A Bonds is excluded from the gross income of the owners of the 2019 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 2019 Series A Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. Based upon existing law, interest on the 2019 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 RELATING TO THE 2019 SERIES A BONDS" and "TAX MATTERS RELATING TO THE 2019 SERIES B BONDS" herein.*

**Redemption:** The 2019 Bonds are subject to redemption prior to maturity, as described herein. See "DESCRIPTION OF THE 2019 BONDS – Redemption Provisions" herein.

**Security:** The 2019 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 as of October 3, 2018 (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 2019 BONDS" herein.

**The 2019 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 2019 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 2019 Bonds. See "PLAN OF FINANCE" herein.

**Interest Rates and Yields:** As shown on the inside front cover.

**Interest Payment Dates:** Interest on the 2019 Bonds is payable on June 15 and December 15, commencing June 15, 2020.

**Denominations:** The 2019 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 2019 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 counsel, McManimon, Scotland & Baumann, LLC, Roseland, New Jersey. The 2019 Bonds in definitive form are expected to be available for delivery through DTC on or about December \_\_, 2019.

**RBC Capital Markets**

**Barclays Capital Inc.**

NW Capital Markets Inc.  
R. Seelaus & Co., Inc.

**Raymond James**

Wells Fargo Securities  
Janney Montgomery Scott  
Ramirez & Co., Inc.

**Morgan Stanley**

BofA Merrill Lynch  
D.A. Davison & Co.  
Estrada Hinojosa

**The Williams Capital Group, L.P.**

Stifel, Nicolaus & Company, Incorporated  
UBS Financial Services Inc.

Official Statement dated: November \_\_, 2019

\* Preliminary, subject to change.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,  
YIELDS AND CUSIP\*\* NUMBERS**

\$ \_\_\_\_\_ \*

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY  
TRANSPORTATION SYSTEM BONDS, 2019 SERIES A (TAX-EXEMPT)**

| <u>Maturity Date</u> * | <u>Principal<br/>Amount</u> * | <u>Interest Rate</u> | <u>Yield</u> | <u>CUSIP</u> ** |
|------------------------|-------------------------------|----------------------|--------------|-----------------|
| 06/15/2020             | \$                            | %                    | %            |                 |
| 12/15/2024             |                               |                      |              |                 |
| 12/15/2025             |                               |                      |              |                 |
| 12/15/2026             |                               |                      |              |                 |
| 12/15/2027             |                               |                      |              |                 |
| 12/15/2028             |                               |                      |              |                 |
| 12/15/2039             |                               |                      |              |                 |

\$ \_\_\_\_\_ \*

**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY  
TRANSPORTATION SYSTEM BONDS, 2019 SERIES B (FEDERALLY TAXABLE)**

| <u>Maturity Date</u> * | <u>Principal<br/>Amount</u> * | <u>Interest Rate</u> | <u>Yield</u> | <u>CUSIP</u> ** |
|------------------------|-------------------------------|----------------------|--------------|-----------------|
| 06/15/2020             | \$                            | %                    | %            |                 |
| 06/15/2021             |                               |                      |              |                 |
| 06/15/2022             |                               |                      |              |                 |
| 06/15/2023             |                               |                      |              |                 |
| 06/15/2024             |                               |                      |              |                 |
| 06/15/2025             |                               |                      |              |                 |
| 06/15/2026             |                               |                      |              |                 |
| 06/15/2027             |                               |                      |              |                 |
| 06/15/2028             |                               |                      |              |                 |
| 06/15/2029             |                               |                      |              |                 |

\$ \_\_\_\_\_ % Term Bond Due June 15, 2034\* – Yield \_\_\_\_; CUSIP \_\_\_\_\_  
 \$ \_\_\_\_\_ % Term Bond Due June 15, 2038\* – Yield \_\_\_\_; CUSIP \_\_\_\_\_  
 \$ \_\_\_\_\_ % Term Bond Due June 15, 2042\* – Yield \_\_\_\_; CUSIP \_\_\_\_\_

\*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 2019 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 2019 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 2019 Bonds.

IN CONNECTION WITH THE OFFERING OF THE 2019 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2019 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 2019 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 2019 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 2019 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 that 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 2019 Bonds, the principal documents related to the security for the 2019 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 2019 Bonds, and all references to the 2019 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 2019 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 2019 Bonds and the security therefor, including an analysis of the risks involved. The 2019 Bonds have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the 2019 Bonds in accordance with applicable provisions of securities laws of the various jurisdictions in which the 2019 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 2019 Bonds or the adequacy, accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

## TABLE OF CONTENTS

Page

|  |  |
|--|--|
| INTRODUCTION .....   |  |
| DESCRIPTION OF THE 2019 BONDS .....  |  |
| General .....  |  |
| Redemption Provisions .....  |  |
| Notice of Redemption .....   |  |
| Book-Entry Only System .....   |  |
| SECURITY FOR THE 2019 BONDS .....  |  |
| Property Pledged to the 2019 Bonds; the State Contract; the Act; the Resolution .....                |  |
| Statutory Dedication of Certain State Revenues .....   |  |
| Constitutional Dedication of Certain State Revenues .....  |  |
| State Appropriations and Legislation .....   |  |
| State's General Taxing Power Not Pledged.....  |  |
| Flow of Funds .....  |  |
| Certain Covenants of the State and the Authority .....   |  |
| No Debt Service Reserve Fund .....   |  |
| Refunding Bonds.....   |  |
| Transportation Program Bonds .....   |  |
| STATUTORY DEBT ISSUANCE LIMITATIONS .....  |  |
| Transportation System Bonds .....  |  |
| Refunding Bonds.....   |  |
| Transportation Program Bonds .....   |  |
| TRANSPORTATION PROGRAM BONDS.....  |  |
| PLAN OF FINANCE.....   |  |
| ESTIMATED SOURCES AND USES OF FUNDS .....  |  |
| DEBT SERVICE SCHEDULE – TRANSPORTATION SYSTEM BONDS.....   |  |
| DEBT SERVICE SCHEDULE – TRANSPORTATION PROGRAM BONDS.....  |  |
| THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY .....   |  |
| Legal Authority and Responsibilities.....  |  |
| Membership and Officers of the Authority .....   |  |
| Powers of the Authority .....  |  |
| THE TRANSPORTATION SYSTEM IMPROVEMENTS .....   |  |
| THE NEW JERSEY DEPARTMENT OF TRANSPORTATION .....  |  |
| The State Transportation System .....  |  |
| Organization.....  |  |
| LEGALITY FOR INVESTMENT.....   |  |
| LITIGATION.....  |  |
| CERTAIN LEGAL MATTERS.....   |  |
| TAX MATTERS RELATING TO THE 2019 SERIES A BONDS .....  |  |
| Exclusion of Interest on the 2019 Series A Bonds From Gross Income<br>for Federal Tax Purposes ..... |  |
| Additional Federal Income Tax Consequences.....  |  |
| [Original Issue Discount] .....  |  |
| [Original Issue Premium] .....   |  |

# TABLE OF CONTENTS

Page

|   |  |
|---|--|
| State Taxation.....                                   |  |
| Changes in Law.....                                   |  |
| TAX MATTERS RELATING TO THE 2019 SERIES B BONDS ..... |  |
| Introduction.....                                     |  |
| Nomenclature .....                                    |  |
| Tax Consequences to U.S. Holders.....                 |  |
| Tax Consequences to Non-U.S. Holders.....             |  |
| FATCA.....  |  |
| Backup Withholding and Information Reporting.....     |  |
| State, Local and Foreign Taxes.....                   |  |
| ERISA CONSIDERATIONS .....                            |  |
| General Fiduciary Matters.....                        |  |
| Prohibited Transactions – In General.....             |  |
| Plan Asset Issues.....                                |  |
| Prohibited Transactions Exemptions.....               |  |
| Representations .....                                 |  |
| CONTINUING DISCLOSURE AGREEMENT .....                 |  |
| VERIFICATION OF MATHEMATICAL CALCULATIONS.....        |  |
| UNDERWRITING .....                                    |  |
| RATINGS .....   |  |
| MISCELLANEOUS .....                                   |  |

---

|              |   |
|--------------|---|
| APPENDIX I   | FINANCIAL AND OTHER INFORMATION RELATING TO THE STATE OF NEW JERSEY |
| APPENDIX II  | SUMMARY OF THE RESOLUTION   |
| APPENDIX III | COPY 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 VII | BONDS TO BE REFUNDED  |

**OFFICIAL STATEMENT  
RELATING TO**  
\$ \_\_\_\_\_\*  
**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**  
**TRANSPORTATION SYSTEM BONDS**  
\$ \_\_\_\_\_\* **2019 SERIES A (TAX-EXEMPT)**  
\$ \_\_\_\_\_\* **2019 SERIES B (FEDERALLY TAXABLE)**

**INTRODUCTION**

The purpose of this Official Statement (which includes the cover page, the inside front cover 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, 2019 Series A (Tax-Exempt) (the "*2019 Series A Bonds*") and \$ \_\_\_\_\_\* Transportation System Bonds, 2019 Series B (Federally Taxable) (the "*2019 Series B Bonds*"; and together with the 2019 Series A Bonds, the "*2019 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, as most recently amended by L. 2016, c. 56, enacted on October 14, 2016 (the "*2016 Legislation*"), 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; except that any premiums received in connection with the issuance of Transportation Program Bonds (as hereinafter defined) during such period (whether for new money purposes or for refunding purposes) shall count against any limitation as to the amount of new money Transportation Program Bonds the Authority may issue during such period. 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

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\* Preliminary, subject to change.

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*").

The Authority is issuing the 2019 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 2019 Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The 2019 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 Thirty-First Supplemental Transportation System Bond Resolution, adopted on October 17, 2019 (the "*Thirty-First Supplemental Resolution*") and a 2019 Series Certificate of the Authority dated the date of sale of the 2019 Bonds (the "*Series Certificate*"). The 1995 Transportation System Bond Resolution, as amended and supplemented, including by the Thirty-First Supplemental Resolution and the Series Certificate, as the same may be amended and supplemented from time to time, 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, Edison, 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 2019 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 2019 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" herein.

The 2019 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 (as hereinafter defined). 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 2019 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 (as 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 2019 Bonds. See "SECURITY FOR THE 2019 BONDS – Property Pledged to the 2019 Bonds; the State Contract; the Act; the Resolution" herein.

The 2016 Legislation authorizes the Authority to issue 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 \$3,227,290,000 aggregate principal amount of Transportation Program Bonds. Pursuant to the 2016 Legislation, the Authority is authorized to issue additional new money 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 2019 Bonds. However, Transportation Program Bonds are not payable from the statutorily dedicated revenues that may



be used to pay debt service on the Transportation System Bonds, including the 2019 Bonds. See "SECURITY FOR THE 2019 BONDS – Constitutional Dedication of Certain State Revenues" and "SECURITY FOR THE 2019 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 (i) Transportation Program Bonds under the 2012 Transportation Program Bond Resolution and (ii) Federal Highway Reimbursement Notes.

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 2019 Bonds are qualified in their entirety by reference to the definitive forms thereof and the provisions with respect thereto contained in the Resolution. See "APPENDIX II — SUMMARY OF THE RESOLUTION" herein.

## DESCRIPTION OF THE 2019 BONDS

### General

The Resolution, the State Contract and all provisions thereof are incorporated by reference in the text of the 2019 Bonds. Copies of the Resolution, including the full text of the form of the 2019 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 2019 Bonds and is qualified by reference thereto.

The 2019 Bonds will be dated their date of delivery and will mature on the dates and in the principal amounts shown on the inside front cover of this Official Statement. The 2019 Bonds will be issued in denominations of \$5,000 or any integral multiple in excess thereof (an "*Authorized Denomination*") and will bear interest at the rates shown on the inside front cover of this Official Statement, payable initially on June 15, 2020 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 2019 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 2019 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 2019 Bonds. So long as DTC or its nominee is the registered owner of the 2019 Bonds, payments of the principal of and interest on the 2019 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 2019 Bonds. See "APPENDIX VI – BOOK-ENTRY ONLY SYSTEM" herein.

The 2019 Bonds will be issued in the form of a fully registered certificate for each maturity of each Series of the 2019 Bonds and, if applicable, each interest rate within a maturity of the 2019 Bonds, with such certificates being in the aggregate principal amount of the 2019 Bonds and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. See "APPENDIX VI – BOOK-ENTRY ONLY SYSTEM" herein.

## Redemption Provisions

Optional Redemption. The 2019 Series A Bonds maturing on or after December 15, 20\_\_ are subject to optional redemption prior to maturity at the option of the Authority, at any time on or after December 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 2019 Series A Bonds being redeemed, plus accrued interest thereon to the redemption date.

The 2019 Series B Bonds are subject to make-whole redemption prior to maturity by written direction of the Authority, in whole or in part, on any Business Day, at the "Make-Whole Redemption Price" (as hereinafter defined).

The "Make-Whole Redemption Price" is the greater of (i) 100% of the principal amount of the 2019 Series B Bonds being redeemed or (ii) the sum of the present value of the remaining scheduled payments of principal, plus accrued interest, if any, to the maturity date of the 2019 Series B Bonds being redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2019 Series B Bonds are redeemed, discounted to the date on which the 2019 Series B Bonds are redeemed on a semi-annual basis, assuming a 360-year consisting of twelve 30-day months, at the adjusted "Treasury Rate" (as hereinafter defined), plus \_\_ basis points, plus, in each case, accrued and unpaid interest on the 2019 Series B Bonds being redeemed on the redemption date.

The "Treasury Rate" will be, as of the redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least five (5) Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to the maturity date of the 2019 Series B Bonds being redeemed; *provided, however*, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

The Make-Whole Redemption Price of the 2019 Series B Bonds being redeemed pursuant to the make-whole redemption provisions described above will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Authority at the Authority's expense to calculate such Make-Whole Redemption Price. The Trustee and the Authority may conclusively rely upon the determination of such Make-Whole Redemption Price by such independent accounting firm, investment banking firm or financial advisor, and neither the Trustee nor the Authority will be liable for such reliance.

Selection of 2019 Bonds to be Redeemed. If the 2019 Bonds are registered in book-entry only form and DTC or a successor securities depository is the sole registered owner of the 2019 Bonds and if less than all of the 2019 Bonds of a Series or a maturity are called for prior redemption, the particular 2019 Bonds or portions thereof to be redeemed shall be selected on a *pro rata* basis in accordance with DTC procedures.

If the 2019 Bonds are not registered in book-entry only form, any redemption of less than all of a maturity of a Series of the 2019 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 receives notice from the Authority of its election or direction to redeem the 2019 Bonds, and provided that the redemption of the 2019 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 2019 Bonds, which notice shall specify the Series and maturities (and, if applicable, interest rates within a maturity) of the 2019 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 2019 Bonds of the same Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such 2019 Bonds to be so redeemed, and, in the case of 2019 Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each 2019 Bond to be redeemed the Redemption Price thereof, or, in the case of 2019 Bonds to be redeemed in part only, the Redemption Price of the specified portions of the principal amount of each 2019 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 2019 Bonds or portions of 2019 Bonds that 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 2019 Bonds that 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 2019 Bonds.

So long as DTC is acting as securities depository for the 2019 Bonds, all notices of redemption required to be given to the registered owners of the 2019 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 2019 BONDS, (I) PAYMENTS OF PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE 2019 BONDS, (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTEREST IN 2019 BONDS OR (III) NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE HOLDER OF THE 2019 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. NONE OF THE AUTHORITY, THE TRUSTEE OR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DIRECT PARTICIPANTS, ANY PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE 2019 BONDS UNDER OR THROUGH DTC OR ANY DIRECT PARTICIPANT OR ANY OTHER PERSON WHO IS NOT

SHOWN ON THE BOND REGISTER OF THE AUTHORITY KEPT BY THE TRUSTEE AS BEING A 2019 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 2019 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 2019 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 2019 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF 2019 BONDS; OR (VI) ANY OTHER MATTER.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF ALL OF THE 2019 BONDS, REFERENCES HEREIN TO THE OWNERS, HOLDERS OR REGISTERED OWNERS OF THE 2019 BONDS (OTHER THAN UNDER THE CAPTIONS "TAX MATTERS RELATING TO THE 2019 SERIES A BONDS", "TAX MATTERS RELATING TO THE 2019 SERIES B BONDS", "ERISA CONSIDERATIONS" AND "CONTINUING DISCLOSURE AGREEMENT" HEREIN) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2019 BONDS.

In the event that the 2019 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 2019 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 2019 Bonds.

## **SECURITY FOR THE 2019 BONDS**

### **Property Pledged to the 2019 Bonds; the State Contract; the Act; the Resolution**

The 2019 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) that it may obtain in connection with the issuance of any Series of Bonds and (ii) any Subordinated Debt that may be issued under the Resolution. Currently, there is no Subordinated Debt or Financing Facilities 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, to the extent provided in any Supplemental Resolution or Series Certificate authorizing a Series that 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 (defined in the fifth 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 Treasury<sup>1</sup>); 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, L. 2006, c. 3, and L. 2016, c. 56, and any bonds issued to refund such bonds as "*Prior Bonds*". Transportation System Bonds issued and to be issued under the Resolution, including the 2019 Bonds, are Prior Bonds. The Act creates 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

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<sup>1</sup> As a result of the federal budget sequestration presently in effect for the current federal fiscal year ending September 30, 2020, the Build America Bonds cash subsidy amounts payable to the Authority on December 15, 2019 and June 15, 2020 will likely be reduced by 5.9%. As noted on page 10, for Fiscal Year 2020, 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 2019 Bonds, coming due in Fiscal Year 2020.

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 2019 Bonds or any other Bonds currently outstanding pursuant to the Resolution) and the Rebate Fund. "Revenue Contracts" under the Resolution means the State Contract, the Toll Road Authority Contracts (described below) or any assignment thereof or any other agreement of the Authority of whatever nature. "Toll Road Authority Contracts" means the two contracts between the Authority and each of the New Jersey Turnpike Authority (the "Turnpike Authority") and the South Jersey Transportation Authority, the State's two toll road authorities (together, the "Toll Road Authorities"), pursuant to which amounts are payable to the State. Pursuant to the Act and the State Contract, amounts equivalent to the moneys received by the State in accordance with the Toll Road Authority Contracts are to be credited to the Transportation Trust Fund Account – Subaccount for Debt Service for Prior Bonds, provided that the amount so credited shall not be less than \$24,500,000, which payment may then be appropriated by the State to the Authority. See "APPENDIX II – SUMMARY OF THE RESOLUTION – Events of Default" herein for a description of the application of Pledged Property during an Event of Default.

Pursuant to the Act, the Authority, the State Treasurer and the Commissioner have entered into an agreement entitled "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"), a copy of which is 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 – COPY 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 2019 Bonds or otherwise due under the State Contract. Thus, although the Resolution provides for the remedy of specific performance to require the Authority to perform its covenants in the Resolution (including its covenants to enforce the terms of the State Contract), there are no remedies available to the Bondholders in the event that the State Legislature does not appropriate sufficient funds to make payments when due under the State Contract.

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

The Act, as amended by the 2016 Legislation, provides that during each Fiscal Year in which the Authority has Bonds outstanding, the State Treasurer shall, to the extent appropriated by the State Legislature, credit to the Transportation Trust Fund Account – Subaccount for Debt Service for Prior Bonds, a portion of the revenues derived from the following, as determined by the State 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 2019 BONDS – Constitutional Dedication of Certain State Revenues" below.

In accordance with the Act, the State Contract 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 State Constitution does not require that the constitutionally dedicated amounts be appropriated to the Authority and any such amounts not appropriated to the Authority can be used by the State to pay the costs of various transportation system related projects in the State, including the payment of debt service on any indebtedness issued to finance the costs of such projects. 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 and Legislation**

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 that were less than the minimum amounts specified in the State Contract for such Fiscal Year.

For Fiscal Year 2020, which began on July 1, 2019, the State Legislature appropriated \$1,148,805,000 to the Transportation Trust Fund Account – Subaccount for Debt Service for Prior Bonds and \$323,034,000 to the Transportation Trust Fund Account – Subaccount for Debt Service for Transportation Program Bonds. The combined amount is expected to be sufficient to pay the debt service on all of the currently outstanding indebtedness under the Resolution, and under the 2012 Program Bond



Resolution, coming due in such Fiscal Year. [See also the footnote on page 7 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 is subsequently amended, 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. In addition, any appropriation is subject to the availability of funds. See APPENDIX I – "STATE FINANCES – Budget and Appropriation Process" herein.

As noted in Footnote 1 on page 18, the debt service payable 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, is also payable from funds appropriated to the Authority and the Transportation Trust Fund Account – Subaccount for Capital Reserves.

Statutes concerning taxes, including the sales and use tax, motor fuels taxes and petroleum products gross receipts taxes, which are appropriated to pay principal of and interest on the Authority's Bonds are subject to amendment or repeal by the State Legislature at any time. In addition, Section 14(h) of L. 2016, c. 57 ("*Chapter 57*") provides that a portion of the petroleum products gross receipts tax imposed pursuant to L. 1990, c. 42 (C. 54:15B-1 *et seq.*) (the "*Petroleum Products Gross Receipts Tax*") may not be imposed following a certification by a review council (which review council has not yet been convened), consisting of the State Treasurer, the Legislative Budget and Finance Officer and a third public member, that the scheduled implementation of Chapter 57 has been impeded, which certification shall be made within five days of any legislative action that halts, delays or reverses the implementation of those sections contained in Chapter 57 on the date of enactment of Chapter 57.

Pursuant to N.J.S.A. 54:15B-3(a)(2)(a), the Petroleum Products Gross Receipts Tax is imposed on the gross receipts from the first sale of gasoline, blended fuel that contains gasoline or is intended for use as gasoline, liquefied petroleum gas and aviation fuel at a rate of 4.0 cents per gallon, which rate is fixed and is not subject to adjustment (the "*Gasoline PPGR Tax*"). Pursuant to N.J.S.A. 54:15B-3(a)(2)(b), the Petroleum Products Gross Receipts Tax is imposed on the gross receipts from the first sale of diesel fuel, blended fuel that contains diesel fuel or is intended for use as diesel fuel, and kerosene, other than aviation grade kerosene, at a rate of 4.0 cents per gallon, before July 1, 2017 (the "*Original Diesel Fuel PPGR Tax*"; and together with the Gasoline PPGR Tax, the "*Original PPGR Tax*") and at rate of 8.0 cents per gallon on and after July 1, 2017 (the "*Diesel Fuel PPGR Tax*"), which rate is fixed and is not subject to adjustment.

Chapter 57, which was adopted in October 2016 and amended N.J.S.A. 54:15B-1 *et seq.*, imposed a new separate tax on "highway fuel" (the "*Highway Fuels PPGR Tax*"), which became a component of the Petroleum Products Gross Receipts Tax, of 22.6 cents per gallon on gasoline and 22.7 cents per gallon on diesel fuel. For purposes of Chapter 57, "highway fuel" is defined to mean gasoline, blended fuel that contains gasoline or is intended for use as gasoline, liquefied petroleum gas, diesel fuel, blended fuel that contains diesel fuel or is intended for use as diesel fuel, and kerosene, other than aviation grade kerosene. Chapter 57 also provides that, for Fiscal Year 2018 and each Fiscal Year thereafter through and including Fiscal Year 2026, the rate at which the Highway Fuels PPGR Tax is imposed is required to be adjusted annually so that total revenue derived by the State from the Motor Fuels Tax, the Original PPGR Tax and the Highway Fuels PPGR Tax in each such Fiscal Year will not exceed a capped amount, as adjusted, determined in accordance with the provisions of Chapter 57 (the "*Cap Amount*"). In order to implement

such annual adjustment of the Highway Fuels PPGR Tax rate, on or before August 15 of each Fiscal Year following Fiscal Year 2017, the State Treasurer and the Legislative Budget and Finance Officer are required to determine the total revenue derived by the State from the Motor Fuels Tax, the Original PPGR Tax and the Highway Fuels PPGR Tax collected in the prior Fiscal Year (the "*Prior Year Total Revenues*"). On the basis of such Prior Year Total Revenues, and in consultation with the Legislative Budget and Finance Officer, the State Treasurer then determines the Highway Fuels PPGR Tax rate to be imposed in the current Fiscal Year that is expected to result in the total revenue derived by the State from the Motor Fuels Tax, the Original PPGR Tax and the Highway Fuels PPGR Tax collected in such current Fiscal Year being equal to the Cap Amount. Pursuant to Chapter 57, the Highway Fuels PPGR Tax rate so determined by the State Treasurer, in consultation with the Legislative Budget and Finance Officer, becomes effective on October 1 of the then current Fiscal Year, without the need for any further legislative action. Additionally, if the amount of the Prior Year Total Revenues for any prior Fiscal Year exceeds the Cap Amount for such prior Fiscal Year, the Cap Amount for the succeeding Fiscal Year shall be decreased by the amount of such excess for the purposes of establishing the Highway Fuels PPGR Tax rate for such succeeding Fiscal Year. If the amount of the Prior Year Total Revenues for any prior Fiscal Year is less than the Cap Amount for such prior Fiscal Year, the Cap Amount for the succeeding Fiscal Year shall be increased by the amount of such shortfall for the purposes of establishing the Highway Fuels PPGR Tax rate for such succeeding Fiscal Year.

In accordance with the provisions of Chapter 57 relating to the annual adjustment of the Highway Fuels PPGR Tax rate described above, on August 30, 2018, the State Treasurer announced that, as a result of a shortfall in revenues collected from the Motor Fuels Tax, the Original PPGR Tax and the Highway Fuels PPGR Tax in each of the two prior Fiscal Years, the Cap Amount for Fiscal Year 2019 would be \$2,073,100,000 and that, in order to generate sufficient revenue to reach such Cap Amount assuming stable motor fuels consumption, the Highway Fuels PPGR Tax rate for Fiscal Year 2019, which became effective on October 1, 2018, would be 26.9 cents per gallon, an increase of 4.3 cents per gallon over the then current rate.

On August 29, 2019, the State Treasurer announced that there will be no increase in the Highway Fuels Tax rate for Fiscal Year 2020.

The following chart is a summary of the cents per gallon tax rate for the Motor Fuels Tax, the Gasoline PPGR Tax, the Diesel Fuel PPGR Tax and the Highway Fuels PPGR Tax as of October 1, 2018:

**Highway Fuel Tax Rates  
(cents per gallon)  
As of October 1, 2018**

| <u>Tax Rate</u>   | <u>Gasoline</u> | <u>Diesel Fuel</u> |
|---|-----------------|--------------------|
| Motor Fuels Tax   | \$0.105         | \$0.135            |
| Petroleum Products Gross Receipts Tax<br>(imposed pursuant to N.J.S.A. 54:15B-3(a)(2)(a) & (b)) | 0.040           | 0.080              |
| Highway Fuels PPGR Tax  | <u>0.269</u>    | <u>0.270</u>       |
| TOTAL:  | \$0.414         | \$0.485            |

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

Pursuant to the Act and the Resolution, the 2019 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 2019 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 (iii) that it will not prevent the Authority from (a) obtaining sufficient revenues that, 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 that 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 that are further secured by an Account in the Debt Service Reserve Fund established under the Resolution ("*Reserve Fund Bonds*"), the 2019 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 2019 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 2019 Bonds constitute Refunding Bonds. JBOC approved the issuance of the 2019 Bonds on November \_\_, 2019.

### **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 2019 Bonds. See "SECURITY FOR THE 2019 BONDS – Constitutional Dedication of Certain State Revenues", "SECURITY FOR THE 2019 BONDS – Statutory Dedication of Certain State Revenues" and "TRANSPORTATION PROGRAM BONDS" herein.

## **STATUTORY DEBT ISSUANCE LIMITATIONS**

### **Transportation System Bonds – New Money Bonds**

The statutory debt issuance limitations for the Transportation System Bonds were last set by L. 2006, c. 3. 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.

### **Transportation System Bonds - 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 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 – New Money Bonds**

The Act, as amended by the 2016 Legislation, authorizes the issuance of new money Transportation Program Bonds during the period that commenced on the day that Assembly Concurrent Resolution No. 1 of 2015, a constitutional amendment to Article VIII, Section II, paragraph 4 of the New Jersey Constitution, took effect (December 8, 2016) and ending June 30, 2024 in an amount not in excess of \$12,000,000,000. Any premiums received in connection with the issuance of Transportation Program Bonds during such period (whether for new money purposes or for refunding purposes) shall count against any limitation as to the amount of new money Transportation Program Bonds the Authority may issue during such period. The 2019 Bonds are not Transportation Program Bonds. See "TRANSPORTATION PROGRAM BONDS" herein.

### **Transportation Program Bonds – New Money Bonds**

The issuance by the Authority of bonds, notes or other obligations, including subordinated obligations, for refunding purposes is not subject to the limitations described in the preceding paragraph, except that any premiums received in connection with the issuance of Transportation Program Bonds issued for refunding purposes shall count against the limitations described in the preceding paragraph with respect to the issuance of Transportation Program Bonds for new money purposes.

The Act provides that no refunding bonds shall be issued unless the Authority shall first determine that the present value of the aggregate principal amount of and interest on the refunding bonds is less than the present value of the aggregate principal amount of and interest on the Outstanding Bonds to be refinanced, with present value computed using a discount rate equal to the yield of those refunding bonds, and yield computed using an actuarial method based upon a 360-day year with semiannual compounding and upon the prices paid to the Authority by the initial purchasers of those refunding bonds. The Act further provides that upon the decision by the Authority to issue refunding bonds, and prior to the

sale of those refunding bonds, the Authority shall transmit to JBOC a report that a decision has been made, reciting the basis on which the decision was made, including an estimate of the debt service savings to be achieved and the calculations upon which the Authority relied when making the decision to issue refunding bonds. The report shall also disclose the intent of the Authority to issue and sell the refunding bonds at public or private sale and the reasons therefor.

## **TRANSPORTATION PROGRAM BONDS**

The Act 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 2020, which began on July 1, 2019, the State Legislature appropriated \$323,034,000 to the Transportation Trust Fund Account – Subaccount for Debt Service for Transportation Program Bonds, which amount will be sufficient to pay the debt service on the 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 (i) Transportation Program Bonds under the 2012 Transportation Program Bond Resolution and (ii) Federal Highway Reimbursement Revenue Notes.

## **PLAN OF FINANCE**

The 2019 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 2019 Bonds.

Concurrently with the issuance and delivery of the 2019 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 2019 Bonds, proceeds of the 2019 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 2019 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 2019 Series A Bonds are expected to be as set forth below:

### Sources of Funds:

|   |                 |
|---|-----------------|
| Par Amount of 2019 Series A Bonds .....       | \$              |
| [Net] Original Issue Premium (Discount) ..... | _____           |
| <b>Total Sources of Funds.....</b>            | <b>\$</b> _____ |

### Uses of Funds:

|                                  |                 |
|----------------------------------|-----------------|
| Deposit to Escrow Fund.....      | \$              |
| Costs of Issuance <sup>(1)</sup> |                 |
| Underwriters' Discount .....     | _____           |
| <b>Total Uses of Funds .....</b> | <b>\$</b> _____ |

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<sup>(1)</sup> Includes bond ratings, printing, legal fees, Trustee and Escrow Agent fees and other expenses relating to the issuance and sale of the 2019 Series A Bonds.

The estimated sources and uses of funds in connection with the issuance of the 2019 Series B Bonds are expected to be as set forth below:

### Sources of Funds:

|   |                 |
|---|-----------------|
| Par Amount of 2019 Series B Bonds .....       | \$              |
| [Net] Original Issue Premium (Discount) ..... | _____           |
| <b>Total Sources of Funds.....</b>            | <b>\$</b> _____ |

### Uses of Funds:

|                                  |                 |
|----------------------------------|-----------------|
| Deposit to Escrow Fund.....      | \$              |
| Costs of Issuance <sup>(1)</sup> |                 |
| Underwriters' Discount .....     | _____           |
| <b>Total Uses of Funds .....</b> | <b>\$</b> _____ |

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<sup>(1)</sup> Includes bond ratings, printing, legal fees, Trustee and Escrow Agent fees and other expenses relating to the issuance and sale of the 2019 Series B 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.

| <b>Fiscal<br/>Year</b>   | <b>Prior Bonds<br/>Gross Debt Service<sup>1,2</sup></b> | <b>2019 Bonds<br/>Debt Service</b> | <b>Total Gross<br/>Debt Service<sup>1,2</sup></b> |
|--------------------------|---|------------------------------------|---|
| 2020                     | \$ 1,148,798,231  | \$                                 | \$  |
| 2021                     | 1,148,853,953   |                                    |   |
| 2022                     | 1,148,837,163   |                                    |   |
| 2023                     | 1,148,841,856   |                                    |   |
| 2024                     | 1,097,329,663   |                                    |   |
| 2025                     | 1,097,330,384   |                                    |   |
| 2026                     | 1,097,932,027   |                                    |   |
| 2027                     | 1,098,581,466   |                                    |   |
| 2028                     | 1,098,580,107   |                                    |   |
| 2029                     | 1,031,772,478   |                                    |   |
| 2030                     | 822,346,863   |                                    |   |
| 2031                     | 822,023,625   |                                    |   |
| 2032                     | 821,687,525   |                                    |   |
| 2033                     | 799,110,838   |                                    |   |
| 2034                     | 824,186,088   |                                    |   |
| 2035                     | 824,196,825   |                                    |   |
| 2036                     | 855,700,275   |                                    |   |
| 2037                     | 823,447,225   |                                    |   |
| 2038                     | 841,452,375   |                                    |   |
| 2039                     | 925,776,925   |                                    |   |
| 2040                     | 1,004,920,613   |                                    |   |
| 2041                     | 882,222,675   |                                    |   |
| 2042                     | 167,700,750   |                                    |   |
| <b>Total<sup>3</sup></b> | <b><u>\$ 21,531,629,928</u></b>                         | <b><u>\$</u></b>                   | <b><u>\$</u></b>                                  |

<sup>1</sup> Includes debt service payments made and to be made in Fiscal Year 2020, and includes debt service on prior bonds issued by the Authority and on the New Jersey Economic Development Authority's 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 and the Transportation Trust Fund Account – Subaccount for Capital Reserves. Includes debt service payments on Bonds to be Refunded.

<sup>2</sup> Totals are not adjusted for federal cash subsidy for Build America Bonds. See footnote on Page 7 and "SECURITY FOR THE 2019 BONDS – State Appropriations and Legislation" on Page 10.

<sup>3</sup> 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<sup>1</sup></u> |
|--------------------------|-------------------------------|-------------------------------|---------------------------------------|
| 2020                     | \$ 77,285,000                 | \$ 217,970,270                | \$ 295,255,270                        |
| 2021                     | 81,020,000                    | 229,542,166                   | 310,562,166                           |
| 2022                     | 85,025,000                    | 225,530,775                   | 310,555,775                           |
| 2023                     | 89,265,000                    | 221,288,300                   | 310,553,300                           |
| 2024                     | 93,650,000                    | 216,864,881                   | 310,514,881                           |
| 2025                     | 98,375,000                    | 212,200,739                   | 310,575,739                           |
| 2026                     | 97,570,000                    | 207,296,532                   | 304,866,532                           |
| 2027                     | 92,300,000                    | 202,546,618                   | 294,846,618                           |
| 2028                     | 96,315,000                    | 198,511,735                   | 294,826,735                           |
| 2029                     | 159,165,000                   | 193,854,442                   | 353,019,442                           |
| 2030                     | 166,750,000                   | 186,257,463                   | 353,007,463                           |
| 2031                     | 174,425,000                   | 178,564,041                   | 352,989,041                           |
| 2032                     | 182,545,000                   | 170,429,384                   | 352,974,384                           |
| 2033                     | 191,520,000                   | 161,427,336                   | 352,947,336                           |
| 2034                     | 200,725,000                   | 152,199,119                   | 352,924,119                           |
| 2035                     | 202,035,000                   | 142,431,844                   | 344,466,844                           |
| 2036                     | 211,835,000                   | 132,623,931                   | 344,458,931                           |
| 2037                     | 221,775,000                   | 122,684,269                   | 344,459,269                           |
| 2038                     | 192,745,000                   | 111,879,594                   | 304,624,594                           |
| 2039                     | 177,470,000                   | 102,531,919                   | 280,001,919                           |
| 2040                     | 204,105,000                   | 94,480,275                    | 298,585,275                           |
| 2041                     | 213,890,000                   | 84,697,163                    | 298,587,163                           |
| 2042                     | 320,840,000                   | 74,442,863                    | 395,282,863                           |
| 2043                     | 336,585,000                   | 58,697,950                    | 395,282,950                           |
| 2044                     | 256,810,000                   | 42,176,750                    | 298,986,750                           |
| 2045                     | 123,270,000                   | 29,995,550                    | 153,265,550                           |
| 2046                     | 128,760,000                   | 24,500,975                    | 153,260,975                           |
| 2047                     | 110,770,000                   | 18,755,300                    | 129,525,300                           |
| 2048                     | 115,645,000                   | 13,886,375                    | 129,531,375                           |
| 2049                     | 120,730,000                   | 8,802,775                     | 129,532,775                           |
| 2050                     | <u>80,565,000</u>             | <u>3,495,150</u>              | <u>84,060,150</u>                     |
| <b>Total<sup>2</sup></b> | <b><u>\$4,903,765,000</u></b> | <b><u>\$4,040,566,482</u></b> | <b><u>\$8,944,331,482</u></b>         |

<sup>1</sup> Interest on the 2014 Series BB Notes is calculated at an assumed rate of 2.5% plus an applicable spread of 1.2% for the 2014 Series BB-2 Notes.

<sup>2</sup> Totals may not add due to rounding.

## 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*, Chairperson; 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: Treasurer/Administrator at the Eastern Region of the Laborers Union of North America; Public Member.

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

The officers of the Authority are:

Lewis Daidone: Executive Director; Assistant Commissioner – Finance and Administration, Chief Financial Officer of the New Jersey Department of Transportation.

Michael B. Kanef: Treasurer; Director, 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.

Natalie M. Mintchwarner: Secretary; Manager, Bureau of Legislative Analysis, New Jersey Department of Transportation.

Jackie Brown: Assistant Secretary.

### **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 2019 BONDS— Property Pledged to the 2019 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 that 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 Turnpike Authority. Pursuant to legislative directive, the Authority is responsible for funding that portion of the State's share of these improvements that 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 2,321 center line miles of state highways maintained by the Department and approximately 36,575 center line miles maintained by independent state toll road authorities, county governments and municipal governments. Approximately 6,750 bridges are located throughout the State, of which 2,396 are owned by the Department, 109 are maintained by NJ Transit, 1,313 are owned by independent state toll road authorities, 2,702 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 2,254 buses, 1,282 locomotives and rail cars and 21 light rail vehicles. NJ Transit also provides more than 823 buses for routes operated by other carriers. On 251 bus routes, 12 heavy rail lines and 3 light rail lines, riders took over 264 million unlinked trips in State Fiscal Year 2018.

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 that 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, training and development, civil rights and affirmative action programs.

The Assistant Commissioner for Finance and Administration also serves as the Office of Chief Financial Officer. The Assistant Commissioner's areas of responsibility include budget, accounting and external auditing, information systems, procurement, capital investments and program coordination. 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. He also assesses opportunities to improve transportation facilities and services that factor into the development of a Statewide Transportation Capital Investment Strategy, the Annual Capital Program and the Statewide Transportation Improvement Program. In addition, the Chief Financial Officer also 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 Transportation Operations Systems and Support is responsible for maintenance and operation of the State highway system, including snow and ice removal, emergency patrols, intelligent transportation systems and the equipment fleet and regional maintenance yards. The Assistant Commissioner coordinates the traffic operations centers and incident management services provided by the Department and the State's independent toll road authorities. The Assistant Commissioner is also responsible for the Department's physical plant facilities.

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 2019 Bonds, or the contemplated uses of the proceeds of the 2019 Bonds, or in any way contesting or affecting the validity of the 2019 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 2019 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 2019 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 2019 Bonds in substantially the form included in this Official Statement as Appendix V. Certain legal matters in connection with the 2019 Bonds will be passed upon for the Authority by the Attorney General of the State and for the Underwriters by their counsel, McManimon, Scotland & Baumann, LLC, Roseland, New Jersey.

## **TAX MATTERS RELATING TO THE 2019 SERIES A BONDS**

### **Exclusion of Interest on the 2019 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 2019 Series A Bonds in order to assure that interest on the 2019 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 2019 Series A Bonds to be included in gross income for federal income tax purposes, retroactive to the date of issuance of the 2019 Series A Bonds. The Authority will make representations in the Tax Certificate, which will be executed on the date of issuance of the 2019 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 2019 Series A 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 2019 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 2019 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 2019 Series A Bonds. Bond Counsel will render its opinion as of the date of issuance of the 2019 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**

Prospective purchasers of the 2019 Series A Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the 2019 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 2019 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 2019 Series A Bonds. Owners of the 2019 Series A Bonds are advised that, if the IRS does audit the 2019 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 2019 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 2019 Series A Bonds until the audit is concluded, regardless of the ultimate outcome.

#### **[Original Issue Discount**

Certain maturities of the 2019 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 2019 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 that 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 2019 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 2019 Series A Bonds, gain from the sale or other disposition of the 2019 Series A Bonds, the market value of the 2019 Series A Bonds or the marketability of the 2019 Series A Bonds, or otherwise prevent the owners of the 2019 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 2019 Series A Bonds may occur. Prospective purchasers of the 2019 Series A Bonds should consult their own tax advisors regarding the impact of any change in law on the 2019 Series A Bonds.

## **TAX MATTERS RELATING TO THE 2019 SERIES B BONDS**

THE DISCUSSION UNDER THIS SECTION, "TAX MATTERS RELATING TO THE 2019 SERIES B BONDS", WAS WRITTEN TO SUPPORT THE MARKETING OF THE 2019 SERIES B BONDS. EACH PURCHASER SHOULD CONSULT HIS, HER OR ITS TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF AN INVESTMENT IN THE 2019 SERIES B BONDS, INCLUDING THE IMPACT OF U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX LAWS, IN LIGHT OF SUCH HOLDER'S PARTICULAR CIRCUMSTANCES. THIS MATERIAL WAS NOT INTENDED OR WRITTEN TO BE USED, AND MAY NOT BE USED, BY ANYONE FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED. THE AUTHORITY DOES NOT ASSUME RESPONSIBILITY TO ANYONE FOR THE TAX CONSEQUENCES OF AN INVESTMENT IN THE 2019 SERIES B BONDS.

### **Introduction**

The following discussion summarizes certain material U.S. federal income tax considerations generally applicable to the purchase, ownership and disposition of the 2019 Series B Bonds by the beneficial owners thereof ("*Holders*"). The discussion is limited to the tax consequences to the initial Holders of the 2019 Series B Bonds who purchase the 2019 Series B Bonds at the issue price, within the meaning of Section 1273 of the Code. The discussion does not address the tax consequences to subsequent purchasers of the 2019 Series B Bonds, including, but not limited to, the impact of the so-called "market discount" rules set forth in Sections 1276-1278 of the Code.

The discussion does not purport to be, and is not, a complete analysis of all of the potential U.S. federal income tax consequences relating to the purchase, ownership and disposition of the 2019 Series B Bonds. For example, the discussion does not address any state, local, non-U.S., U.S. federal estate or U.S. federal gift tax consequences. The U.S. federal income taxation with respect to an investment in the 2019 Series B Bonds is complex and may involve, among other things, significant issues as to the timing, character, source and allocation of gains and losses. The discussion is necessarily general and is not intended to be applicable to all categories of purchasers, some of which, such as banks, thrifts, insurance companies, regulated investment companies, real estate mortgage investment conduits, dealers and traders in securities that elect to mark to market their securities portfolios, Holders who do not own the 2019 Series B Bonds as capital assets and non-U.S. Holders (as hereinafter defined) classified for U.S. federal income tax purposes as "controlled foreign corporations", "passive foreign investment companies", "personal holding companies" or "expatriates" may be subject to special rules. The discussion also does not address the special rules applicable to purchasers who hold the 2019 Series B Bonds as part of a hedge, straddle, conversion, constructive ownership or constructive sale transaction, or other risk reduction transaction. The discussion assumes the 2019 Series B Bonds are held as capital assets within the meaning of Section 1221 of the Code.

The discussion is based on the Code, Treasury Regulations issued under the Code (the "*Treasury Regulations*"), administrative rulings and judicial decisions as in effect at the time this Official Statement is being written, all of which are subject to change (possibly with retroactive effect) or different interpretations. No assurance can be given that future legislation, administrative guidance, administrative rulings or judicial decisions will not modify the conclusions set forth herein. The actual tax and financial consequences of the ownership or sale of the 2019 Series B Bonds will vary depending upon each Holder's circumstances.

Moreover, the legislation commonly referred to as the "Tax Cuts and Jobs Act" (the "*2017 Tax Reform Act*") significantly changed the U.S. taxation of individuals, sole proprietorships, corporations and pass-through entities. Most provisions in the 2017 Tax Reform Act that apply to individuals are set to expire on December 31, 2025, which means U.S. federal income tax law as applied to individuals reverts back to the law as it existed prior to the effectiveness of the 2017 Tax Reform Act. Although this section of this Official Statement summarizes certain key changes made by the 2017 Tax Reform Act and explains, where appropriate, how an expiration of those provisions may affect Holders, it is not intended to be an exhaustive discussion of those provisions.

## **Nomenclature**

This section uses certain nomenclature to distinguish between the tax treatment applicable to different types of Holders. For purposes of this discussion, a "*U.S. Holder*" is a Holder of a 2019 Series B Bond that, for U.S. federal income tax purposes, is: (i) a citizen or resident of the United States (as such residency is determined for U.S. federal income tax purposes); (ii) a corporation or an entity treated as a corporation for U.S. federal income tax purposes, in either case created or organized in or under the laws of the United States or of any political subdivision thereof; (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust, the administration of which is subject to the primary supervision of a court within the United States and which has one or more United States persons (as described in Section 7701(a)(30) of the Code) with the authority to control all substantial decisions of the trust, or a trust that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person (as described in Section 7701(a)(30) of the Code). For purposes of this discussion, a "*Non-U.S. Holder*" is a person that is not a United States person (as described in Section 7701(a)(30) of the Code).

## **Tax Consequences to U.S. Holders**

***In General.*** Interest received or accrued, as well as any gain or loss on the sale, exchange, redemption or other disposition of the 2019 Series B Bonds, will not be exempt from U.S. federal income tax in the hands of a U.S. Holder. Instead, subject to the more detailed discussion herein, interest received or accrued on the 2019 Series B Bonds will be taxable to a U.S. Holder at ordinary income tax rates and any gain on the sale, exchange, redemption or other disposition of a 2019 Series B Bond generally will be taxable to the U.S. Holder at the tax rates applicable to capital gains. The U.S. federal income tax consequences to a U.S. Holder may also be affected if a U.S. Holder acquires a 2019 Series B Bond at a discount or at a premium. If a partnership, or an entity taxable as a partnership, holds the 2019 Series B Bonds, then the U.S. federal income tax treatment of a partner generally will depend upon the status of the partner and the tax status of the partnership. Partners of partnerships holding the 2019 Series B Bonds should consult their own tax advisors with respect to the U.S. federal income tax treatment of the purchase, ownership and disposition of the 2019 Series B Bonds.

***Stated Interest.*** Stated interest on the 2019 Series B Bonds will be taxable to a U.S. Holder as ordinary income and generally at the time the interest is received or accrued in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

**OID.** A 2019 Series B Bond will be treated as issued with original issue discount ("*OID*") if the excess of the 2019 Series B Bond's "stated redemption price at maturity" over its "issue price" equals or exceeds a *de minimis* amount equal to one quarter of one percent of the 2019 Series B Bond's stated redemption price at maturity multiplied by the number of years to its maturity. The stated redemption price at maturity of a 2019 Series B Bond is generally equal to all payments on a 2019 Series B Bond other than "qualified stated interest". In general, qualified stated interest is interest that is unconditionally payable at least annually. The Authority intends to treat stated interest payable under the 2019 Series B Bonds as qualified stated interest under Treasury Regulations relating to *OID*. The issue price of a 2019 Series B Bond generally will be the first price at which a substantial amount of the 2019 Series B Bonds is sold to persons other than bond houses, brokers or similar persons acting in the capacity of underwriters, placement agents or wholesalers. Assuming all interest payable under each of the 2019 Series B Bonds is qualified stated interest, the stated redemption price at maturity is generally expected to equal the principal amount of each respective 2019 Series B Bond.

If the 2019 Series B Bonds are treated as issued with *OID*, then a U.S. Holder will be required to accrue *OID* using a constant yield method, include such accrued *OID* in income, and pay any resulting tax, all before the U.S. Holder receives cash attributable to that income and regardless of such U.S. Holder's method of tax accounting. The amount of *OID* generally includible is the sum of the daily portions of *OID* with respect to a 2019 Series B Bond for each day during the taxable year or portion of the taxable year in which the U.S. Holder holds the 2019 Series B Bond. Any *de minimis* *OID* generally will be included in income as principal payments are received on the 2019 Series B Bonds in the proportion that each such payment bears to the original principal balance of the 2019 Series B Bonds, and such income will generally be treated as an amount received on retirement of the 2019 Series B Bonds. The treatment of the resulting gain or loss is subject to the general rules discussed below under "*Sale, Exchange, Redemption or Other Disposition*". A U.S. Holder who includes *OID* in income is permitted to increase his, her or its tax basis in the 2019 Series B Bonds by the amount of *OID* included in income.

**Bond Premium.** If a U.S. Holder purchases a 2019 Series B Bond for an amount in excess of the amount payable at maturity (*i.e.*, at a premium), then the U.S. Holder generally will be considered to have purchased the 2019 Series B Bond with "amortizable bond premium" equal to the amount of such excess. A U.S. Holder who purchases a 2019 Series B Bond with amortizable bond premium may either: (i) elect to amortize the bond premium as an offset to interest income, and not as a separate deduction, with the amount of the amortizable bond premium calculated under a constant yield method; or (ii) add the premium to the U.S. Holder's tax basis in the respective 2019 Series B Bond, with the amount of the premium decreasing the gain or increasing the loss otherwise recognized on the disposition of the 2019 Series B Bond. If the U.S. Holder elects to amortize the bond premium, then any amortizable amounts will reduce the U.S. Holder's tax basis in the 2019 Series B Bonds. Moreover, if the U.S. Holder elects to amortize bond premium, then such election will apply to all 2019 Series B Bonds (i) held by such U.S. Holder on the first day of the taxable year to which the election applies and (ii) thereafter acquired by the U.S. Holder.

**Election to Treat All Interest as *OID*.** A U.S. Holder may elect to include in gross income all interest that accrues on the 2019 Series B Bonds, including, but not limited to, stated interest, *OID* and *de minimis* *OID*, as adjusted by any amortizable bond premium and other items, using the constant yield method described above under "*OID*". This election will generally apply only to the specific 2019 Series B Bonds for which it was made, and may not be revoked without the consent of the IRS. U.S. Holders are strongly encouraged to consult with their tax advisors before making this election.

**Principal Payments.** Subject to certain exceptions (including the special rules for *de minimis* OID described above), principal payments on the 2019 Series B Bonds generally will constitute a tax-free return of capital that will reduce a U.S. Holder's adjusted tax basis in the 2019 Series B Bond to which the principal payment relates.

**Sale, Exchange, Redemption or Other Disposition.** If a U.S. Holder of a 2019 Series B Bond sells, exchanges, redeems or otherwise disposes of the 2019 Series B Bond, then the U.S. Holder will recognize capital gain or loss equal to the difference between the amount realized on the sale, exchange, redemption or other disposition (other than amounts representing accrued but unpaid interest, which amounts will be treated as a payment of interest) and the U.S. Holder's adjusted tax basis in the 2019 Series B Bond. The U.S. Holder's adjusted tax basis of a 2019 Series B Bond generally will equal the U.S. Holder's cost of acquiring such 2019 Series B Bond, increased by any OID previously included by the U.S. Holder in income with respect to such 2019 Series B Bond, and decreased by the amount of any bond premium previously amortized with respect to such 2019 Series B Bond and by the amount of principal payments received by the U.S. Holder with respect to such 2019 Series B Bond.

**Effect of Recent Changes in U.S. Tax Laws.** Under the 2017 Tax Reform Act, a U.S. Holder that uses an accrual method of accounting for U.S. federal income tax purposes and prepares an "applicable financial statement" (within the meaning of Section 451 of the Code) generally would be required to include certain amounts in income no later than the time such amounts are reflected on such financial statements. This rule generally is effective for tax years beginning on or after January 1, 2018, but for debt instruments issued with OID, this rule is effective for tax years beginning on or after January 1, 2019. The application of this rule may require the accrual of income earlier than would be the case under the general tax rules previously discussed for certain U.S. Holders. Prospective purchasers should consult their own tax advisors regarding the potential applicability of these rules to their ownership and disposition of the 2019 Series B Bonds.

**Tax Rates.** Tax rates may differ with respect to, on the one hand, the receipt or accrual of interest, and on the other hand, any gain on the sale, exchange, redemption or other disposition of the 2019 Series B Bonds. With respect to interest income, which is subject to U.S. federal tax at the tax rates applicable to ordinary income:

- For taxable years beginning on or after January 1, 2018, and ending on or before December 31, 2025, ordinary income will be taxed at income tax rates of up to thirty-seven percent (37%) for individuals and twenty-one percent (21%) for corporations; and
- For taxable years ending on or after January 1, 2026, ordinary income will be taxed at income tax rates of up to thirty-nine and six-tenths percent (39.6%) for individuals and twenty-one percent (21%) for corporations.

Purchasers should consult their own tax advisors concerning the effect of these U.S. federal income tax rates in light of their individual circumstances.

With respect to any gain on the sale, exchange, redemption or other disposition of the 2019 Series B Bonds, which is subject to U.S. federal tax at the tax rates applicable to capital gains, the applicable capital gains tax rate depends on numerous factors, including, but not limited to, whether the capital asset was held for longer than one year (thereby triggering the long-term capital gains tax rate) or for one year or less (thereby triggering the short-term capital gains tax rate). Under current law, long-term capital gains tax rates for individuals range between zero percent (0%) and twenty percent (20%), depending upon the Holder's individual tax circumstances. At the present time, short-term capital gains are taxed at the same rates applicable to ordinary income. Applicable tax rates are mutable and each investor should

consult his, her or its own professional tax advisor concerning the U.S. federal, state or local tax consequences in light of such investor's particular tax situation.

***Net Investment Income Surtax.*** Certain Holders who are individuals, estates or trusts may be required to pay a three and eight-tenths percent (3.8%) tax on "net investment income", including a Holder's receipt or accrual of interest income and any gain from the sale, exchange, redemption or other disposition of a 2019 Series B Bond, in each case less deductions allocable to such income. Purchasers should consult their own tax advisors concerning the potential applicability of the net investment income surtax in light of their individual circumstances.

***AMT.*** Presently, U.S. federal tax law imposes an alternative minimum tax ("AMT") on taxpayers other than corporations. The 2017 Tax Reform Act significantly alters the applicability of the AMT. U.S. Holders who are, or may be, subject to the AMT should consider the tax consequences of an investment in the 2019 Series B Bonds in view of their AMT position, taking into account the special rules that apply in computing the AMT under the 2017 Tax Reform Act.

### **Tax Consequences to Non-U.S. Holders**

***In General.*** The United States currently taxes the worldwide income of U.S. citizens, resident aliens and domestic corporations without regard to whether the income arose from a transaction or activity that originated outside its geographic borders. Nonresident aliens and foreign corporations are generally taxed in the same manner as U.S. citizens, resident aliens and domestic corporations on income that is effectively connected with a trade or business in the United States. Stated differently, foreign persons are subject to U.S. tax on any income that is effectively connected with the conduct of a trade or business in the United States.

Different rules apply when the income is not effectively connected with a trade or business in the United States. For example, income not effectively connected with a trade or business in the United States, but which is fixed, determinable, annual or periodical, generally is taxed at a rate equal to thirty percent (30%), unless a lower rate applies pursuant to U.S. law or an applicable income tax treaty. Pursuant to Sections 1441 and 1442 of the Code, tax due on fixed, determinable, annual or periodical income is generally required to be withheld from each payment made to the foreign person and remitted by the withholding agent to the U.S. Department of the Treasury. In general, interest (including OID) is fixed, determinable, annual or periodical income and, as such, interest (including OID) is typically subject to U.S. withholding tax, unless an exception applies. Pursuant to Sections 871(h) and 881(c) of the Code, so-called "portfolio interest" is exempt from U.S. withholding tax. It is anticipated that interest paid to a Non-U.S. Holder with respect to a 2019 Series B Bond will qualify as portfolio interest under Sections 871(h) and 881(c) of the Code.

***Payments of Interest.*** Subject to the discussion below under the headings "FATCA" and "Backup Withholding and Information Reporting", payments of interest (including OID) with respect to a 2019 Series B Bond held by a Non-U.S. Holder generally will not be subject to U.S. withholding tax, provided that the statement requirement set forth in Section 871(h) or Section 881(c) of the Code (each described below) has been fulfilled with respect to such Non-U.S. Holder.

***Payments of Principal.*** Subject to the discussion below under the headings "FATCA" and "Backup Withholding and Information Reporting", payments of principal with respect to a 2019 Series B Bond held by a Non-U.S. Holder generally will not be subject to U.S. withholding tax.

***Proceeds From a Sale, Exchange, Redemption or Other Disposition.*** Subject to the discussion below under the headings "FATCA" and "Backup Withholding and Information Reporting", a Non-U.S. Holder generally will not be subject to U.S. withholding tax on gain realized from the sale, exchange, redemption or other disposition of a 2019 Series B Bond, unless: (i) such Non-U.S. Holder is an individual who is present in the United States for 183 or more days in the taxable year of such sale, exchange, redemption or other disposition and certain other conditions are met; or (ii) such gain is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States (and, under certain income tax treaties, is attributable to a U.S. permanent establishment maintained by such Non-U.S. Holder).

***Required Certifications to Obtain Exemption From Withholding.*** Sections 871(h) and 881(c) of the Code require that, in order for a Non-U.S. Holder to obtain the above-described exemptions from U.S. withholding tax, either the Non-U.S. Holder or a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business (a "*Financial Institution*") and that is holding the 2019 Series B Bond on behalf of such Non-U.S. Holder, must file a statement with the Authority, its paying agent or other applicable withholding agent to the effect that the Non-U.S. Holder is not a United States person (as defined in Section 7701(a)(30) of the Code). Such requirement will be met if the Non-U.S. Holder: (i) provides his, her or its name and address; (ii) certifies under penalties of perjury that he, she or it is not a United States person (as defined in Section 7701(a)(30) of the Code); and (iii) so certifies on the appropriate IRS Form, which is IRS Form W-8BEN for an individual, Form W-8BEN-E for an entity, Form W-8EXP for a foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation or government of a U.S. possession, or any successor form. Such requirement will also be met if any Financial Institution holding the 2019 Series B Bond on behalf of the Non-U.S. Holder files a statement with the Authority, its paying agent or other applicable withholding agent to the effect that it has received such a statement from the Non-U.S. Holder (and furnishes the Authority, its paying agent or other applicable withholding agent with a copy thereof). In addition, in the case of 2019 Series B Bonds held by a foreign intermediary (other than a "qualified intermediary") or a foreign partnership (other than a "withholding foreign partnership"), the foreign intermediary or partnership, as the case may be, generally must provide a properly executed IRS Form W-8IMY (or successor form) and attach thereto an appropriate certification by each foreign beneficial owner or payee. A certificate is generally effective only with respect to payments of interest (including OID) made to the certifying Non-U.S. Holder after issuance of the certificate in the calendar year of its issuance and the two immediately succeeding calendar years. Thus, Non-U.S. Holders will be required to provide these certifications more than once.

***Non-U.S. Holders Engaged in a Trade or Business in the United States.*** If a Non-U.S. Holder is engaged in a trade or business in the United States, and if interest (including OID) or gain realized on the sale, exchange, redemption or other disposition of a 2019 Series B Bond is effectively connected with the conduct of such trade or business, then the Non-U.S. Holder, although exempt from U.S. withholding tax, generally will be subject to regular U.S. federal income tax on such effectively connected income or gain in the manner as if it were a U.S. Holder. In addition, if such Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to thirty percent (30%) (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. Interest income (including OID) or gain that is effectively connected with a trade or business in the United States will not be subject to withholding tax if the Non-U.S. Holder provides a properly executed IRS Form W-8ECI (or successor form) to the Authority, its paying agent or other applicable withholding agent in order to claim an exemption from withholding tax.

***Effect of Not Providing the Required Exemption Certificate.*** A Non-U.S. Holder who does not satisfy the exemption requirements is generally subject to U.S. withholding tax on payments of interest (including OID).

## **FATCA**

The Foreign Account Tax Compliance Act ("*FATCA*") generally imposes U.S. withholding tax on interest payments and gross proceeds of the sale, exchange, redemption or other disposition of the 2019 Series B Bonds paid to certain foreign financial institutions (which is broadly defined for this purpose to generally include most non-U.S. banks and investment funds) and certain other non-U.S. entities, unless certain disclosure and due diligence requirements related to financial accounts held by U.S. taxpayers or by foreign entities in which U.S. taxpayers hold substantial ownership interests are satisfied. A foreign financial institution or other entity that is subject to FATCA, but which fails to meet the requirements imposed by FATCA, generally will be subject to a U.S. withholding tax with respect to any "withholdable payments". For this purpose, withholdable payments generally include U.S.-source payments otherwise subject to nonresident withholding tax (*e.g.*, U.S.-source interest, including OID) and the entire gross proceeds from the sale, exchange, redemption or other disposition of any debt instruments of U.S. issuers, even if the payment would otherwise not be subject to U.S. nonresident withholding tax (*e.g.*, because the proceeds are a capital gain). Thus, if a Holder is a foreign financial institution or other entity that is subject to FATCA, but that institution or entity does not comply with FATCA, then such Holder would be subject to a thirty percent (30%) U.S. withholding tax. An intergovernmental agreement between the United States and an applicable non-U.S. country may modify these requirements.

The Authority will not pay any additional amounts in respect of any amounts withheld, including pursuant to FATCA, and Holders or beneficial owners of the 2019 Series B Bonds will have no recourse against the Authority.

## **Backup Withholding and Information Reporting**

There will be reported annually to the IRS, and to each Holder, the amount of interest (including OID) paid on, or the proceeds from the sale, exchange, redemption or other taxable disposition of, the 2019 Series B Bonds and the amount withheld for U.S. federal income tax purposes, if any, for each calendar year, except as to certain exempt recipients, such as corporations, tax-exempt organizations, qualified pension and profit sharing trusts, individual retirement accounts or nonresident aliens who provide an appropriate certification as to their tax status. Each Holder, other than a Holder who is not subject to the foregoing reporting requirements, will be required to provide, under penalties of perjury, a certificate containing its name, its address, its correct U.S. federal taxpayer identification number and a statement that the Holder is not subject to back-up withholding. If any Holder fails to provide the required certification, or if there are other related compliance failures, then there will be withheld amounts at a prescribed rate from the interest otherwise payable to the Holder or the proceeds from the sale, exchange, redemption or other taxable disposition of the 2019 Series B Bonds, and the withheld amounts will be remitted to the U.S. Department of the Treasury and credited against the Holder's U.S. federal income tax liability. In addition, Holders will be required to provide to the Authority or designated agents all information, documentation or certifications acceptable to the Authority or its agents to permit compliance with tax reporting obligations under applicable law, including any applicable cost basis reporting obligations. Non-U.S. Holders should consult their own tax advisors with respect to the possible applicability of U.S. withholding and other taxes with respect to their holding the 2019 Series B Bonds.

## **State, Local and Foreign Taxes**

Holders may be subject to state, local or foreign taxes with respect to an investment in the 2019 Series B Bonds. In light of the potential impact of state, local and foreign taxes (including the limitations on deductibility of state and local taxes imposed by the 2017 Tax Reform Act), prospective investors are urged to consult their tax advisors with respect to the state, local and foreign tax consequences of an investment in the 2019 Series B Bonds.



Bond Counsel is of the opinion that, based upon existing law, interest on the 2019 Series B Bonds and net gains from the sale thereof are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

## **[ERISA CONSIDERATIONS]**

The following is a summary of certain considerations associated with the acquisition and holding of the 2019 Series B Bonds by an "employee benefit plan" (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("*ERISA*")) that is subject to Title I of ERISA, a "plan" covered by Section 4975 of the Code (including an individual retirement account or "*IRA*"), a benefit plan subject to provisions under applicable federal, state, local, non-U.S. or other laws or regulations that are similar to the provisions of Title I of ERISA or Section 4975 of the Code ("*Similar Laws*") and any entity whose underlying assets include "plan assets" by reason of such employee benefit or retirement plan's investment in such entity (each of which is referred to as a "*Plan*").

### **General Fiduciary Matters**

ERISA imposes certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA, and ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of a Plan subject to ERISA, as well as the assets of "plans" covered by Section 4975 of the Code (such Plans are referred to herein as "*ERISA Plans*"), with its fiduciaries or other interested parties. In general, under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation (direct or indirect) to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan. Plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA or Section 4975(g)(3) of the Code) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to similar prohibitions under Similar Laws. In considering the acquisition, holding and, to the extent relevant, disposition of 2019 Series B Bonds with a portion of the assets of a Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan, including, without limitation, the prudence, diversification and prohibited transaction provisions of ERISA, the Code and/or any other applicable Similar Laws.

### **Prohibited Transactions – In General**

Section 406 of ERISA prohibits ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "*Parties in Interest*", within the meaning of Section 3(14) of ERISA, and Section 4975 of the Code imposes an excise tax on certain "*Disqualified Persons*", within the meaning of Section 4975 of the Code, who engage in similar prohibited transactions, in each case unless a statutory or administrative exemption is available. A Party in Interest or Disqualified Person who engages in a non-exempt prohibited transaction may be subject to other penalties and liabilities under ERISA and the Code. Further, a separate prohibited transaction could arise if, subsequent to the acquisition, the Authority or one of its affiliates becomes a Party in Interest or Disqualified Person with respect to a Plan or a subsequent transfer of a 2019 Series B Bond is between a Plan and a Party in Interest or Disqualified Person with respect to the Plan.

The definitions of "*Party in Interest*" and "*Disqualified Person*" are expansive. While other entities may be encompassed by these definitions, they include: (1) a fiduciary with respect to a Plan; (2) a person providing services to a Plan; and (3) an employer or employee organization any of whose employees or members are covered by the Plan.

### **Plan Asset Issues**

Certain transactions involving the purchase, holding or transfer of the 2019 Series B Bonds might be deemed to constitute a prohibited transaction under ERISA and the Code if assets of the Authority or the Resolution assets were deemed to be assets of a Plan. Under final regulations issued by the United States Department of Labor at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the "*Plan Asset Regulations*"), the assets of the Authority or Resolution assets would be treated as plan assets of an ERISA Plan for the purposes of ERISA and the Code if the ERISA Plan acquires an "equity interest" in the Authority or Resolution assets and none of the exceptions contained in the Plan Asset Regulations is applicable. An equity interest is defined under the Plan Asset Regulations as an interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features.

Although there is little statutory or regulatory guidance on this subject, it seems that the 2019 Series B Bonds should be treated as debt, without substantial equity features, for purposes of the Plan Asset Regulations. Accordingly, the assets of the Authority or the Resolution should not be treated as plan assets of ERISA Plans investing in the 2019 Series B Bonds. However, there can be no assurance that the 2019 Series B Bonds will be treated as debt obligations without substantial equity features for purposes of the Plan Asset Regulations. If the Authority's or the Resolution's assets were deemed to constitute "plan assets" pursuant to the Plan Asset Regulations, transactions that the Authority or the Trustee might enter into, or may have entered into in the ordinary course of business, might constitute non-exempt prohibited transactions under ERISA or the Code. Therefore, a Plan fiduciary considering an investment in the 2019 Series B Bonds should consult with its counsel prior to making such purchase.

### **Prohibited Transaction Exemptions**

Without regard to whether the 2019 Series B Bonds are treated as debt obligations without substantial equity features, the acquisition or holding of 2019 Series B Bonds by or on behalf of a Plan could be considered to give rise to a prohibited transaction if the Authority or the Trustee, and other parties connected with the offering (such as the Underwriters), or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Plan. In such case, certain status-based exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire the 2019 Series B Bonds. Included among these exemptions are: Prohibited Transaction Exemption ("*PTCE*") 75-1, which exempts certain transactions between a Plan and certain broker dealers, reporting dealers and banks; PTCE 96-23, which exempts certain transactions effected at the sole discretion of an "in house asset manager"; PTCE 90-1, which exempts certain investments by insurance company pooled separate accounts; PTCE 95-60, which exempts certain transactions effected on behalf of an "insurance company general account"; PTCE 91-38, which exempts certain investments by bank collective investment funds; and PTCE 84-14, which exempts certain transactions effected at the sole discretion of a "qualified professional asset manager".

There is also a statutory exemption in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code that is commonly referred to as the "Service Provider Exemption". The Service Provider Exemption covers transactions involving "adequate consideration" with persons who are Parties in Interest or Disqualified Persons solely by reason of their (or their affiliate's) status as a service provider to the Plan involved and none of which is a fiduciary with respect to the Plan assets involved (or an affiliate of such a fiduciary).

The availability of each of these PTCEs and/or the Service Provider Exemption is subject to a number of important conditions that the Plan's fiduciary must consider in determining whether such exemptions apply. There can be no assurance that all the conditions of any such exemptions will be satisfied at the time that the 2019 Series B Bonds are acquired by a purchaser, or thereafter, if the facts relied upon for utilizing a prohibited transaction exemption change, or that the scope of relief provided by these exemptions will necessarily cover all acts that might be construed as prohibited transactions. Therefore, a Plan fiduciary considering an investment in the 2019 Series B Bonds should consult with its counsel prior to making such purchase.

Any ERISA Plan fiduciary considering whether to purchase the 2019 Series B Bonds on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code to such investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of employee benefit plans that are not subject to the requirements of ERISA or Section 4975 of the Code should seek similar counsel with respect to the application of similar prohibitions under Similar Laws.

### **Representations**

**BY ITS ACQUISITION OF THE 2019 SERIES B BONDS (OR ANY INTEREST THEREIN), EACH PURCHASER AND SUBSEQUENT TRANSFEREE THEREOF WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT, ON EACH DAY IT HOLDS A 2019 SERIES B BONDS (OR ANY INTEREST THEREIN), EITHER (A) IT IS NOT A PLAN AND NO PORTION OF THE ASSETS USED TO ACQUIRE OR HOLD THE 2019 SERIES B BONDS CONSTITUTES ASSETS OF A PLAN OR (B) THE ACQUISITION, HOLDING AND DISPOSITION OF A 2019 SERIES B BOND (OR AN INTEREST THEREIN) WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR SIMILAR VIOLATION UNDER ANY APPLICABLE SIMILAR LAWS FOR WHICH THERE IS NO APPLICABLE STATUTORY, REGULATORY OR ADMINISTRATIVE EXEMPTION.**

The foregoing discussion is general in nature and is not intended to be all inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions (or other breaches of fiduciary duty), it is particularly important that fiduciaries, or other persons considering purchasing 2019 Series B Bonds on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the purchase and holding of the 2019 Series B Bonds. The acquisition, holding and, to the extent relevant, disposition of 2019 Series B Bonds by or to any Plan is in no respect a representation by the Authority that such an investment meets all relevant legal requirements with respect to investments by such Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.]

### **CONTINUING DISCLOSURE AGREEMENT**

Upon the issuance and delivery of the 2019 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 2019 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 (the "*MSRB*") through its Electronic Municipal Market Access system ("*EMMA*"). 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 specific nature of the information to be contained in the Treasurer's Annual Report (as such term is defined in the Continuing Disclosure agreement) or the notices of enumerated events is described in the form of the Continuing Disclosure Agreement as set forth in APPENDIX IV hereto.

For the Fiscal Year ended June 30, 2018, the Treasurer's Annual Report was due to the MSRB no later than March 15, 2019 in connection with its general obligation bonds and no later than April 1, 2019 in connection with its subject-to-appropriation bonds. On March 15, 2019, the Treasurer's Annual Report was filed without including the State's Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2018 (the "CAFR"). On March 29, 2019, the State posted a notice on EMMA that the CAFR would not be filed by April 1, 2019, but would be filed as soon it was available. The CAFR was subsequently filed on EMMA on May 1, 2019.

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 Authority's Annual Report for its Fiscal Year ending June 30, 2018 was filed on April 16, 2019 and failure to file notices were not posted in connection with the late filings until September 12, 2019. 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 2019 Bonds will not require, that the Authority provide the Authority's Annual Report.

The State Treasurer recently became aware that the Treasurer's Annual Report and the CAFR for State Fiscal Year 2014 were filed after the date specified in the continuing disclosure agreement for the New Jersey Economic Development Authority's 1996 Liberty State Park Lease Rental Refunding Bonds. Such bonds were redeemed in full in December 2015, and are no longer outstanding.

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

[Name of Verification agent] (the "Verification Agent") will verify from the information provided to them the mathematical accuracy, as of the date of delivery of the 2019 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 2019 Bonds.

## UNDERWRITING

The 2019 Bonds are being purchased by RBC Capital Markets, LLC ("*RBC*"), as representative of the underwriters listed on the cover page hereof (the "*Underwriters*"). The Underwriters have agreed, subject to certain conditions, to purchase (i) all of the 2019 Series A Bonds at an aggregate purchase price of \$\_\_\_\_\_, which is equal to the aggregate principal amount of the 2019 Series A Bonds, plus [net] original issue premium in the amount of \_\_\_\_\_, less an Underwriters' discount in the amount of \$\_\_\_\_\_, and (ii) all of the 2019 Series B Bonds at an aggregate purchase price of \$\_\_\_\_\_, which is equal to the aggregate principal amount of the 2019 Series B 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 2019 Bonds set forth on the inside front cover of this Official Statement may be changed without notice by the Underwriters. The Underwriters may offer and sell the 2019 Bonds to certain dealers (including dealers depositing the 2019 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 front cover hereof.

The following five sentences have been furnished by RBC for inclusion in this Official Statement. RBC and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. RBC and its affiliates may have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Authority for which they received or will receive customary fees and expenses. In the ordinary course of its various business activities, RBC and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority. RBC and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Morgan Stanley & Co. LLC, one of the Underwriters of the 2019 Bonds, has provided the following three sentences for inclusion in this Official Statement. Morgan Stanley & Co. LLC has 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 2019 Bonds.

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 2019 Bonds.

## 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 ["A-", "Baa1" and "BBB+"], respectively, to the 2019 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 2019 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 2019 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 2019 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 among the Authority, the Underwriters and the purchasers or owners of any 2019 Bonds.

## NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

By: \_\_\_\_\_  
Michael B. Kanef, Treasurer

Dated: November \_\_, 2019

**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 Thirty-First Supplemental Transportation System Bond Resolution, adopted on October 17, 2019 (the "*Thirty-First Supplemental Resolution*") and a Series Certificate of the Authority dated as of the date of sale of the 2019 Bonds (the "*2019 Series Certificate*") (collectively, the Bond Resolution, the Thirty-First 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 2019 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 sub-categories, 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 "AI" 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.

(Section 506 of the Bond Resolution)

#### **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 he 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**

### **COPY 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**

## 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 2019 Bonds. The 2019 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 of each Series of the 2019 Bonds and, if applicable, each interest rate within a maturity of the 2019 Bonds, in the aggregate principal amount of each such maturity, 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 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2019 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 2019 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 2019 Bonds, except in the event that use of the book-entry system for the 2019 Bonds is discontinued.

To facilitate subsequent transfers, all 2019 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 2019 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 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2019 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 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2019 Bonds, such as redemptions, tenders, defaults and proposed amendments to the 2019 Bonds documents. For example, Beneficial Owners of the 2019 Bonds may wish to ascertain that the nominee holding the 2019 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 2019 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 2019 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 2019 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 2019 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 2019 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, 2019 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, 2019 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 2019 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 2019 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 2019 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE HOLDER OF THE 2019 BONDS; OR (VI) ANY OTHER MATTER.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF ALL OF THE 2019 BONDS, REFERENCES IN THIS APPENDIX VI TO THE OWNERS, HOLDERS OR REGISTERED OWNERS OF THE 2019 BONDS (OTHER THAN UNDER THE CAPTIONS "TAX MATTERS RELATING TO THE 2019 SERIES A BONDS", "TAX MATTERS RELATING TO THE 2019 SERIES B BONDS", "ERISA CONSIDERATIONS" AND "CONTINUING DISCLOSURE AGREEMENT" HEREIN) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2019 BONDS.



## **APPENDIX VII**

### **BONDS TO BE REFUNDED**

## CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (the "Disclosure Agreement") is made as of the \_\_\_\_ day of \_\_\_\_\_, 2019, 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 Thirty-First Supplemental Transportation System Bond Resolution adopted by the Authority on \_\_\_\_\_, 2019, and a Series Certificate of the Authority, dated as of \_\_\_\_\_, 2019 (collectively, the "Resolution"). This Disclosure Agreement is entered into in connection with the issuance and sale of the Authority's \$\_\_\_\_\_ Transportation System Bonds, 2019 Series A and \$\_\_\_\_\_ Transportation System Bonds, 2019 Series B (collectively, the "2019 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 2019 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 2019 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 \_\_\_\_\_, 2019, prepared in connection with the offering and sale of the 2019 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 2019 Series Bonds.

### **SECTION 3. Provision of the Annual Report.**

(a) The Treasurer shall, no later than March 15, 2020 and March 15 of each year during which any of the 2019 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 2019 Series Bonds: "STATE FINANCES," "FINANCIAL RESULTS AND ESTIMATES," "CASH MANAGEMENT," "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 2019 Series Bonds, or other material events affecting the tax status of the 2019 Series Bonds;
- (7) Modifications to rights of Bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances of the 2019 Series Bonds;
- (10) Release, substitution or sale of property securing repayment of the 2019 Series Bonds, if material;
- (11) Rating changes relating to the 2019 Series Bonds;
- (12) Bankruptcy, insolvency, receivership or similar event of the Authority;<sup>1</sup>
- (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;
- (14) Appointment of a successor or additional trustee for the 2019 Series Bonds or the change of name of a trustee for the 2019 Series Bonds, if material;

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<sup>1</sup> For the purposes of the event identified in paragraph (a)(12) of this 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 the Authority 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 Authority, 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 Authority.

- (15) Incurrence of a Financial Obligation (as defined below) of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect Holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

With respect to events (15) and (16), "Financial Obligation" means (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B), but shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(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 2019 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 2019 Series Bonds shall include the CUSIP numbers of the 2019 Series Bonds to which such notice relates or, if the notice relates to all bond issues of the Authority including the 2019 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 2019 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 2019 Series Bonds affected by such failure shall), or any Bondholder may take such actions as may be necessary and appropriate to cause the Treasurer or the Authority to comply with its obligations under this Disclosure Agreement; provided, however, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Notwithstanding the foregoing, the right of any Bondholder to challenge the adequacy of information provided pursuant to this Disclosure Agreement shall be limited in the same manner as enforcement rights are limited under the General Bond Resolution. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the Treasurer or the Authority to comply with this Disclosure Agreement shall be an action to compel performance.

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

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

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

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

(i) If to the Authority:

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

(ii) If to the Treasurer:

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

(iii) If to the Dissemination Agent:

U.S. Bank National Association  
333 Thornall Street  
Edison, New Jersey 08837  
Attn: Corporate Trust Department

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

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

**SECTION 14. Headings for Convenience Only.** The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.



**SECTION 15. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

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

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

**SECTION 19. Compliance with L. 2005, c. 92.** In accordance with L. 2005, c. 92, the Dissemination Agent agrees that all services performed under this Disclosure Agreement or any subcontract awarded under this Disclosure Agreement shall be performed within the United States of America.

[Signature Page to Follow.]

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

**TREASURER, STATE OF NEW JERSEY**

By: \_\_\_\_\_  
ELIZABETH MAHER MUOIO  
State Treasurer

**NEW JERSEY TRANSPORTATION  
TRUST FUND AUTHORITY**

By: \_\_\_\_\_  
LEWIS DAIDONE  
Executive Director

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

By: \_\_\_\_\_  
PAUL 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 Bond issues affected: \$\_\_\_\_\_ Transportation System Bonds, 2019 Series A and  
\$\_\_\_\_\_ Transportation System Bonds, 2019 Series B

Date of Issuance  
of the affected issues: \_\_\_\_\_, 2019

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 \_\_\_\_\_, 2019 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

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**NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**

**and**

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

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**ESCROW DEPOSIT AGREEMENT**

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**Dated: \_\_\_\_\_, 2019**

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## **ESCROW DEPOSIT AGREEMENT**

This **ESCROW DEPOSIT AGREEMENT**, dated \_\_\_\_\_, 2019 (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 Edison, 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, 2019 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 \_\_\_\_\_, 2019, 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 2019 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, 2019 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 Thirty-First Supplemental Transportation System Bond Resolution adopted by the Authority on \_\_\_\_\_, 2019 and a Series Certificate of the Authority dated \_\_\_\_\_, 2019.

**“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 “2019 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 irrevocably 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 is irrevocably instructed, and agrees, to 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, the Escrow Agent and any Financing Facility Provider for the Refunded Bonds 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 Substitution 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 January 14, 2019, 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. Copies of all notices described in this Section 8 shall be delivered to any Financing Facility Provider for the Refunded Bonds.

**SECTION 9.** This Agreement is made for the benefit of the Authority, the Escrow Agent, any Financing Facility Provider for the Refunded Bonds 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, any Financing Facility Provider for the Refunded Bonds and the Authority; provided, however, that the Authority and the Escrow Agent may, without the consent of, or notice to, such holders, but with the consent of such Financing Facility Providers, 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: Executive Director  
Tel: (609) 530-2046  
Fax: (609) 530-3615

*If to the Escrow Agent:*

U.S. Bank National Association  
333 Thornall Street  
Edison, NJ 08837  
Attention: Paul O'Brien  
Tel: (973) 898-7168  
Fax: (973) 682-4531

*[If to the Facility Financing Provider for the 20\_\_ Series \_\_ Bonds:*

\_\_\_\_\_]

[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: \_\_\_\_\_  
LEWIS DAIDONE  
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> | Existing<br><u>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.

**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<br/>Security</u> | <u>Principal<br/>Amount</u> | <u>Maturity<br/>Date</u> | <u>Interest<br/>Rate</u> |
|-----------------------------|-----------------------------|--------------------------|--------------------------|
|-----------------------------|-----------------------------|--------------------------|--------------------------|



**SCHEDULE C**

**PAYMENT SCHEDULE FOR THE REFUNDED BONDS**

| <u>Payment Date</u> | <u>Payment Amount</u> |
|---------------------|-----------------------|
|---------------------|-----------------------|

## 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<br/>Date</u> | <u>Redemption<br/>Price</u> |
|---------------|----------------------|-------------------------|----------------------|----------------------------|-----------------------------|
|---------------|----------------------|-------------------------|----------------------|----------------------------|-----------------------------|

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(1) Represents a term Bond.

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 \_\_\_\_\_, 2019, 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 their maturity dates in the case of all of the Refunded Bonds, 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 Thirty-First Supplemental Transportation System Bond Resolution adopted on \_\_\_\_\_, 2019, and a Series Certificate of the Authority dated \_\_\_\_\_, 2019 (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>Existing<br/>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.

**NEW JERSEY TRANSPORTATION  
TRUST FUND AUTHORITY**

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

Dated: \_\_\_\_\_, 2019

**NOTICE OF REDEMPTION  
OF  
NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY**

**Transportation System Bonds, 20\_\_ Series \_  
Maturing as set forth in the Table Below**

**Transportation System Bonds, 20\_\_ Series \_  
Maturing as set forth in the Table Below**

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 the date set forth in the table below (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 \_\_\_\_\_, 2019, 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  
333 Thornall Street  
Edison, New Jersey 08837**

The Redeemed Bonds are more particularly described as follows:

| <u>Series</u> | <u>Maturity Date</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Redemption Date</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.

#### 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: \_\_\_\_\_, 2019

**PUBLICATION DATE:** \_\_\_\_\_,  
**2019**

EXH B-2

## **AGENDA ITEM E**

### **APPROVAL OF THE 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.**

This Resolution authorizes the submission to the Joint Budget Oversight Committee of a request for approval of the proposed issuance of Transportation System Bonds under the Thirty-First Supplemental Transportation Bond Resolution in an amount not exceeding \$2.5 billion in order to refund various series of outstanding transportation system bonds.

**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 THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY'S  
TRANSPORTATION SYSTEM BONDS TO BE ISSUED UNDER THE THIRTY-FIRST  
SUPPLEMENTAL TRANSPORTATION SYSTEM BOND 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 its Transportation System Bonds, 2019 Series in an amount not to exceed \$2,500,000,000 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.

**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, 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

## 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 Transportation System Bonds for the purpose of refunding, on a current, advance or forward basis, with tax-exempt bonds or taxable bonds, all or a portion of the TTFA's outstanding Transportation System Bonds, as described in **Appendix I** attached hereto. This request, together with **Appendix II** 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.

### I. Refunding Overview

The TTFA has decided to issue up to \$2,500,000,000 of refunding bonds in one or more series comprised of Transportation System Bonds (the "Refunding Bonds"), at one time or from time to time, which may include tax-exempt bonds and taxable bonds. 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** for refunding and to determine the amount and structure of the Refunding Bonds 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, please see the information in *Section III* below, "Candidates for Bonds to be Refunded". For the reasons described herein, the TTFA has determined that the Refunding Bonds will 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 II** are estimated results of the proposed

refunding of certain outstanding Transportation System Bonds, based on interest rates as of October 7, 2019.

## **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. Below is a synopsis of refunding structures that the TTFA may implement to effectuate the refundings.

*Current Refunding:* The TTFA sells refunding bonds 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), 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. Additionally, under current tax law, advance refundings are required to be issued on a taxable basis for bonds that were originally issued on a tax-exempt basis. However, the current tax law changes do not preclude the issuance of tax-exempt bonds to advance refund taxable bonds such as Build America Bonds (“BABs”). 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), 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.

*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 sale and the 90-day window prior to the first call date or payment date on the bonds 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 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.

## **III. Candidates for Bonds 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** to meet the objectives set forth above, subject to the constraints set forth in the *Section I. Refunding Overview* hereof and any federal tax law requirements. If Refunding Bonds 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 II**. The objectives of the refundings are (i) to provide net present value savings and/or (ii) to provide savings in certain fiscal years 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, as applicable, occurs no later than the final maturity date of the bonds to be refunded, as applicable. As required pursuant to Section 9(o) of the Act, N.J.S.A 27:1B9(o), it is anticipated that the TTFA will receive net present value savings from the refunding transaction.

#### **V. Negotiated Sale Rationale**

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

#### **Appendices**

Appendix I: Summary of Refunding Candidates

Appendix II: Estimated Financing Statistics

**Appendix I: Summary of Refunding Candidates**

| <u>Series</u> | <u>Maturity</u> | <u>Rate</u> | <u>Par</u>       | <u>Call Date</u> | <u>Call Price</u> |
|---------------|-----------------|-------------|------------------|------------------|-------------------|
| 1999A         | 06/15/2020      | 5.75%       | \$ 35,590,000    | N/A              | N/A               |
|               |                 |             | \$ 35,590,000    |                  |                   |
| 2001C         | 12/15/2019      | 5.25%       | \$ 46,675,000    | N/A              | N/A               |
|               | 12/15/2019      | 5.25%       | 46,675,000       | N/A              | N/A               |
|               |                 |             | \$ 93,350,000    |                  |                   |
| 2004A         | 06/15/2023      | 5.75%       | \$ 33,850,000    | N/A              | N/A               |
|               | 06/15/2024      | 5.75%       | 35,795,000       | N/A              | N/A               |
|               | 06/15/2025      | 5.75%       | 37,850,000       | N/A              | N/A               |
|               |                 |             | \$ 107,495,000   |                  |                   |
| 2005B         | 12/15/2019      | 5.50%       | \$ 50,000,000    | N/A              | N/A               |
|               | 12/15/2019      | 5.25%       | 49,470,000       | N/A              | N/A               |
|               | 12/15/2020      | 5.50%       | 207,930,000      | N/A              | N/A               |
|               | 12/15/2021      | 5.50%       | 219,430,000      | N/A              | N/A               |
|               | 12/15/2022      | 5.25%       | 83,480,000       | N/A              | N/A               |
|               | 12/15/2023      | 5.25%       | 73,230,000       | N/A              | N/A               |
|               |                 |             | \$ 683,540,000   |                  |                   |
| 2006A         | 12/15/2019      | 5.25%       | \$ 62,045,000    | N/A              | N/A               |
|               | 12/15/2020      | 5.25%       | 270,970,000      | N/A              | N/A               |
|               | 12/15/2020      | 4.38%       | 16,725,000       | N/A              | N/A               |
|               | 12/15/2020      | 5.25%       | 100,000,000      | N/A              | N/A               |
|               | 12/15/2021      | 5.50%       | 150,765,000      | N/A              | N/A               |
|               | 12/15/2021      | 5.25%       | 159,000,000      | N/A              | N/A               |
|               | 12/15/2021      | 5.25%       | 99,195,000       | N/A              | N/A               |
|               | 12/15/2022      | 5.50%       | 322,350,000      | N/A              | N/A               |
|               | 12/15/2022      | 5.25%       | 200,000,000      | N/A              | N/A               |
|               | 12/15/2022      | 4.25%       | 14,055,000       | N/A              | N/A               |
|               | 12/15/2022      | 5.25%       | 7,075,000        | N/A              | N/A               |
|               | 12/15/2023      | 5.50%       | 110,400,000      | N/A              | N/A               |
|               | 12/15/2023      | 5.25%       | 62,000,000       | N/A              | N/A               |
|               | 12/15/2023      | 5.25%       | 2,205,000        | N/A              | N/A               |
|               |                 |             | \$ 1,576,785,000 |                  |                   |

| <u>Series</u> | <u>Maturity</u> | <u>Rate</u> | <u>Par</u>              | <u>Call Date</u> | <u>Call Price</u> |
|---------------|-----------------|-------------|-------------------------|------------------|-------------------|
| 2006C         | 12/15/2024      | 4.93%       | \$ 100,670,499          | N/A              | N/A               |
|               | 12/15/2025      | 4.96%       | 110,705,252             | N/A              | N/A               |
|               | 12/15/2026      | 4.98%       | 104,990,056             | N/A              | N/A               |
|               | 12/15/2027      | 5.00%       | 99,531,495              | N/A              | N/A               |
|               | 12/15/2028      | 5.00%       | 94,734,509              | N/A              | N/A               |
|               | 12/15/2029      | 5.01%       | 89,963,876              | N/A              | N/A               |
|               | 12/15/2030      | 5.02%       | 85,416,518              | N/A              | N/A               |
|               | 12/15/2031      | 5.03%       | 81,082,542              | N/A              | N/A               |
|               | 12/15/2032      | 5.04%       | 76,953,299              | N/A              | N/A               |
|               | 12/15/2033      | 5.05%       | 73,020,137              | N/A              | N/A               |
|               | 12/15/2034      | 5.05%       | 69,467,603              | N/A              | N/A               |
|               | 12/15/2035      | 5.05%       | 66,088,082              | N/A              | N/A               |
|               | 12/15/2036      | 5.05%       | 62,872,924              | N/A              | N/A               |
|               |                 |             | <u>\$ 1,115,496,792</u> |                  |                   |
| 2008A         | 12/15/2023      | 6.12%       | \$ 13,306,260           | Any Date         | MWC + 25bps       |
|               | 12/15/2024      | 6.19%       | 7,510,200               | Any Date         | MWC + 25bps       |
|               | 12/15/2025      | 6.24%       | 32,666,860              | Any Date         | MWC + 25bps       |
|               | 12/15/2028      | 6.42%       | 16,882,800              | Any Date         | MWC + 25bps       |
|               | 12/15/2035      | 6.72%       | 39,256,488              | Any Date         | MWC + 25bps       |
|               | 12/15/2036      | 6.75%       | 22,045,778              | Any Date         | MWC + 25bps       |
|               | 12/15/2037      | 6.75%       | 65,899,020              | Any Date         | MWC + 25bps       |
|               | 12/15/2038      | 6.75%       | 52,432,233              | Any Date         | MWC + 25bps       |
|               |                 |             | <u>\$ 249,999,639</u>   |                  |                   |
| 2009A         | 12/15/2032      | 6.23%       | \$ 20,742,316           | Any Date         | MWC + 30bps       |
|               | 12/15/2033      | 6.29%       | 9,575,344               | Any Date         | MWC + 30bps       |
|               | 12/15/2034      | 6.32%       | 8,888,976               | Any Date         | MWC + 30bps       |
|               | 12/15/2036      | 6.37%       | 947,318                 | Any Date         | MWC + 30bps       |
|               | 12/15/2038      | 6.40%       | 32,466,187              | Any Date         | MWC + 30bps       |
|               | 12/15/2039      | 6.40%       | 70,110,782              | Any Date         | MWC + 30bps       |
|               |                 |             | <u>\$ 142,730,923</u>   |                  |                   |
| 2009B         | 12/15/2039      | 6.88%       | \$ 273,500,000          | 06/15/2019       | 100%              |
|               |                 |             | <u>\$ 273,500,000</u>   |                  |                   |
| 2009C         | 06/15/2027      | 5.25%       | \$ 23,580,000           | 12/15/2024       | 100%              |
|               | 06/15/2028      | 5.25%       | 25,685,000              | 12/15/2024       | 100%              |
|               | 06/15/2030      | 5.25%       | 31,220,000              | 12/15/2024       | 100%              |
|               | 06/15/2031      | 5.25%       | 33,545,000              | 12/15/2024       | 100%              |
|               | 06/15/2032      | 5.25%       | 35,970,000              | 12/15/2024       | 100%              |
|               |                 |             | <u>\$ 150,000,000</u>   |                  |                   |

| <u>Series</u> | <u>Maturity</u> | <u>Rate</u> | <u>Par</u>              | <u>Call Date</u> | <u>Call Price</u> |
|---------------|-----------------|-------------|-------------------------|------------------|-------------------|
| 2009D         | 06/15/2027      | 5.00%       | \$ 27,385,000           | 12/15/2024       | 100%              |
|               | 06/15/2028      | 5.00%       | 28,365,000              | 12/15/2024       | 100%              |
|               | 06/15/2030      | 5.00%       | 29,505,000              | 12/15/2024       | 100%              |
|               | 06/15/2031      | 5.00%       | 30,570,000              | 12/15/2024       | 100%              |
|               | 06/15/2032      | 5.00%       | 31,675,000              | 12/15/2024       | 100%              |
|               |                 |             | <u>\$ 147,500,000</u>   |                  |                   |
| 2010A         | 12/15/2025      | 5.85%       | \$ 33,189,147           | Any Date         | MWC + 30bps       |
|               | 12/15/2026      | 5.95%       | 49,370,975              | Any Date         | MWC + 30bps       |
|               | 12/15/2027      | 5.98%       | 46,412,410              | Any Date         | MWC + 30bps       |
|               | 12/15/2028      | 6.00%       | 42,815,039              | Any Date         | MWC + 30bps       |
|               | 12/15/2029      | 6.05%       | 40,791,286              | Any Date         | MWC + 30bps       |
|               | 12/15/2030      | 6.08%       | 38,302,721              | Any Date         | MWC + 30bps       |
|               | 12/15/2031      | 6.10%       | 36,021,839              | Any Date         | MWC + 30bps       |
|               | 12/15/2032      | 6.10%       | 3,703,470               | Any Date         | MWC + 30bps       |
|               | 12/15/2033      | 6.18%       | 13,671,350              | Any Date         | MWC + 30bps       |
|               | 12/15/2034      | 6.23%       | 12,708,230              | Any Date         | MWC + 30bps       |
|               | 12/15/2036      | 6.25%       | 11,183,305              | Any Date         | MWC + 30bps       |
|               | 12/15/2037      | 6.25%       | 7,742,506               | Any Date         | MWC + 30bps       |
|               | 12/15/2040      | 6.25%       | 23,341,082              | Any Date         | MWC + 30bps       |
|               |                 |             | <u>\$ 359,253,360</u>   |                  |                   |
| 2010B         | 02/15/2040      | 6.56%       | \$ 500,000,000          | Any Date         | MWC + 30bps       |
|               |                 |             | <u>\$ 500,000,000</u>   |                  |                   |
| 2010C         | 12/15/2024      | 5.75%       | \$ 133,390,000          | Any Date         | MWC + 35bps       |
|               | 12/15/2024      | 6.10%       | 98,590,000              | 12/15/2020       | 100%              |
|               | 12/15/2025      | 5.75%       | 104,295,000             | Any Date         | MWC + 35bps       |
|               | 12/15/2025      | 6.10%       | 77,090,000              | 12/15/2020       | 100%              |
|               | 12/15/2026      | 5.75%       | 107,985,000             | Any Date         | MWC + 35bps       |
|               | 12/15/2026      | 6.10%       | 79,815,000              | 12/15/2020       | 100%              |
|               | 12/15/2027      | 5.75%       | 112,370,000             | Any Date         | MWC + 35bps       |
|               | 12/15/2027      | 6.10%       | 83,060,000              | 12/15/2020       | 100%              |
|               | 12/15/2028      | 5.75%       | 116,960,000             | Any Date         | MWC + 35bps       |
|               | 12/15/2028      | 6.10%       | 86,445,000              | 12/15/2020       | 100%              |
|               |                 |             | <u>\$ 1,000,000,000</u> |                  |                   |
| 2010D         | 12/15/2019      | 3.00%       | \$ 475,000              | N/A              | N/A               |
|               | 12/15/2022      | 3.50%       | 1,355,000               | N/A              | N/A               |
|               | 12/15/2023      | 5.00%       | 105,000,000             | N/A              | N/A               |
|               | 12/15/2023      | 5.25%       | 180,280,000             | N/A              | N/A               |
|               | 12/15/2024      | 4.00%       | 5,000,000               | N/A              | N/A               |
|               | 12/15/2024      | 5.00%       | 89,200,000              | N/A              | N/A               |
|               |                 |             | <u>\$ 381,310,000</u>   |                  |                   |

| <u>Series</u> | <u>Maturity</u> | <u>Rate</u> |    | <u>Par</u>            | <u>Call Date</u> | <u>Call Price</u> |
|---------------|-----------------|-------------|----|-----------------------|------------------|-------------------|
| 2011A         | 06/15/2020      | 5.00%       | \$ | 10,155,000            | N/A              | N/A               |
|               | 06/15/2020      | 4.00%       |    | 3,060,000             | N/A              | N/A               |
|               | 06/15/2021      | 5.00%       |    | 8,880,000             | N/A              | N/A               |
|               | 06/15/2021      | 4.25%       |    | 4,965,000             | N/A              | N/A               |
|               | 06/15/2022      | 5.00%       |    | 14,500,000            | 06/15/2021       | 100%              |
|               | 06/15/2023      | 5.00%       |    | 15,225,000            | 06/15/2021       | 100%              |
|               | 06/15/2024      | 5.25%       |    | 15,985,000            | 06/15/2021       | 100%              |
|               | 06/15/2025      | 5.25%       |    | 16,825,000            | 06/15/2021       | 100%              |
|               | 06/15/2026      | 5.00%       |    | 17,705,000            | 06/15/2021       | 100%              |
|               | 06/15/2027      | 5.00%       |    | 18,590,000            | 06/15/2021       | 100%              |
|               | 06/15/2028      | 5.13%       |    | 19,520,000            | 06/15/2021       | 100%              |
|               | 06/15/2029      | 5.13%       |    | 20,520,000            | 06/15/2021       | 100%              |
|               | 06/15/2030      | 5.25%       |    | 21,575,000            | 06/15/2021       | 100%              |
|               | 06/15/2031      | 5.25%       |    | 22,705,000            | 06/15/2021       | 100%              |
|               | 06/15/2032      | 6.00%       |    | 23,900,000            | 06/15/2021       | 100%              |
|               | 06/15/2033      | 6.00%       |    | 25,335,000            | 06/15/2021       | 100%              |
|               | 06/15/2034      | 6.00%       |    | 26,855,000            | 06/15/2021       | 100%              |
|               | 06/15/2035      | 6.00%       |    | 28,465,000            | 06/15/2021       | 100%              |
|               | 06/15/2036      | 5.50%       |    | 30,170,000            | 06/15/2021       | 100%              |
|               | 06/15/2037      | 5.50%       |    | 31,830,000            | 06/15/2021       | 100%              |
|               | 06/15/2038      | 5.50%       |    | 33,580,000            | 06/15/2021       | 100%              |
|               | 06/15/2039      | 5.50%       |    | 35,430,000            | 06/15/2021       | 100%              |
|               | 06/15/2040      | 5.50%       |    | 37,375,000            | 06/15/2021       | 100%              |
|               | 06/15/2041      | 5.50%       |    | 39,435,000            | 06/15/2021       | 100%              |
|               |                 |             |    | <u>\$ 522,585,000</u> |                  |                   |
| 2011B         | 06/15/2020      | 5.00%       | \$ | 27,145,000            | N/A              | N/A               |
|               | 06/15/2021      | 4.00%       |    | 2,935,000             | N/A              | N/A               |
|               | 06/15/2021      | 5.00%       |    | 25,570,000            | N/A              | N/A               |
|               | 06/15/2022      | 5.25%       |    | 29,900,000            | 06/15/2021       | 100%              |
|               | 06/15/2023      | 5.25%       |    | 31,470,000            | 06/15/2021       | 100%              |
|               | 06/15/2024      | 4.00%       |    | 3,310,000             | 06/15/2021       | 100%              |
|               | 06/15/2024      | 5.25%       |    | 29,815,000            | 06/15/2021       | 100%              |
|               | 06/15/2025      | 4.13%       |    | 12,085,000            | 06/15/2021       | 100%              |
|               | 06/15/2025      | 5.25%       |    | 22,735,000            | 06/15/2021       | 100%              |
|               | 06/15/2026      | 5.25%       |    | 36,510,000            | 06/15/2021       | 100%              |
|               | 06/15/2027      | 5.50%       |    | 38,430,000            | 06/15/2021       | 100%              |
|               | 06/15/2028      | 5.50%       |    | 40,540,000            | 06/15/2021       | 100%              |
|               | 06/15/2029      | 5.50%       |    | 42,770,000            | 06/15/2021       | 100%              |
|               | 06/15/2030      | 5.50%       |    | 45,125,000            | 06/15/2021       | 100%              |
|               | 06/15/2031      | 5.50%       |    | 47,605,000            | 06/15/2021       | 100%              |
|               | 06/15/2032      | 5.25%       |    | 50,225,000            | 06/15/2021       | 100%              |
|               | 06/15/2033      | 5.25%       |    | 52,860,000            | 06/15/2021       | 100%              |
|               | 06/15/2034      | 5.25%       |    | 55,635,000            | 06/15/2021       | 100%              |
|               | 06/15/2035      | 5.25%       |    | 58,560,000            | 06/15/2021       | 100%              |
|               | 06/15/2036      | 5.25%       |    | 61,630,000            | 06/15/2021       | 100%              |
|               | 06/15/2037      | 5.00%       |    | 64,870,000            | 06/15/2021       | 100%              |



| <u>Series</u> | <u>Maturity</u> | <u>Rate</u> | <u>Par</u>               | <u>Call Date</u> | <u>Call Price</u> |
|---------------|-----------------|-------------|--------------------------|------------------|-------------------|
|               | 06/15/2038      | 5.00%       | 68,110,000               | 06/15/2021       | 100%              |
|               | 06/15/2039      | 5.00%       | 71,515,000               | 06/15/2021       | 100%              |
|               | 06/15/2040      | 5.00%       | 75,090,000               | 06/15/2021       | 100%              |
|               | 06/15/2041      | 5.00%       | 78,845,000               | 06/15/2021       | 100%              |
|               | 06/15/2042      | 5.00%       | 82,790,000               | 06/15/2021       | 100%              |
|               |                 |             | \$ 1,156,075,000         |                  |                   |
| 2012A         | 06/15/2038      | 5.00%       | \$ 39,840,000            | 06/15/2022       | 100%              |
|               | 06/15/2039      | 5.00%       | 66,450,000               | 06/15/2022       | 100%              |
|               | 06/15/2040      | 5.00%       | 69,775,000               | 06/15/2022       | 100%              |
|               | 06/15/2041      | 5.00%       | 73,265,000               | 06/15/2022       | 100%              |
|               | 06/15/2042      | 5.00%       | 76,925,000               | 06/15/2022       | 100%              |
|               |                 |             | \$ 326,255,000           |                  |                   |
| 2013A         | 12/15/2019      | 3.00%       | \$ 1,035,000             | N/A              | N/A               |
|               | 12/15/2019      | 4.00%       | 9,095,000                | N/A              | N/A               |
|               | 12/15/2019      | 5.00%       | 128,365,000              | N/A              | N/A               |
|               | 06/15/2020      | 3.00%       | 550,000                  | N/A              | N/A               |
|               | 06/15/2020      | 4.00%       | 2,670,000                | N/A              | N/A               |
|               | 06/15/2020      | 5.00%       | 128,355,000              | N/A              | N/A               |
|               | 12/15/2023      | 4.00%       | 4,115,000                | N/A              | N/A               |
|               | 06/15/2024      | 5.00%       | 10,330,000               | N/A              | N/A               |
|               |                 |             | \$ 284,515,000           |                  |                   |
| 2013B         | 12/15/2018      | 1.76%       | \$ 250,000,000           | N/A              | N/A               |
|               |                 |             | \$ 250,000,000           |                  |                   |
| 2018A         | 12/15/2023      | 5.00%       | \$ 27,840,000            | N/A              | N/A               |
|               | 12/15/2024      | 5.00%       | 39,350,000               | N/A              | N/A               |
|               | 12/15/2025      | 5.00%       | 45,055,000               | N/A              | N/A               |
|               | 12/15/2026      | 5.00%       | 44,660,000               | N/A              | N/A               |
|               | 12/15/2027      | 5.00%       | 66,380,000               | N/A              | N/A               |
|               | 12/15/2028      | 5.00%       | 75,500,000               | N/A              | N/A               |
|               | 12/15/2029      | 5.00%       | 75,835,000               | 12/15/2028       | 100%              |
|               | 12/15/2030      | 5.00%       | 78,740,000               | 12/15/2028       | 100%              |
|               | 12/15/2031      | 4.00%       | 81,385,000               | 12/15/2028       | 100%              |
|               | 12/15/2032      | 5.00%       | 167,640,000              | 12/15/2028       | 100%              |
|               | 12/15/2033      | 5.00%       | 202,140,000              | 12/15/2028       | 100%              |
|               | 12/15/2034      | 5.00%       | 212,745,000              | 12/15/2028       | 100%              |
|               | 12/15/2035      | 5.00%       | 119,825,000              | 12/15/2028       | 100%              |
|               | 12/15/2036      | 5.00%       | 122,500,000              | 12/15/2028       | 100%              |
|               | 12/15/2037      | 4.00%       | 103,160,000              | 12/15/2028       | 100%              |
|               | 12/15/2038      | 4.25%       | 68,840,000               | 12/15/2028       | 100%              |
|               |                 |             | \$ 1,531,595,000         |                  |                   |
| <b>Total</b>  |                 |             | <b>\$ 10,740,075,714</b> |                  |                   |

**Appendix II: Estimated Financing Statistics**

| <b>Fiscal Year</b> | <b>Prior Debt<br/>Service</b> | <b>Refunding Debt<br/>Service</b> | <b>Annual<br/>Savings</b> | <b>Present Value<br/>PV Savings</b> |
|--------------------|-------------------------------|-----------------------------------|---------------------------|-------------------------------------|
| 06/30/2020         | 121,427,774                   | 106,306,586                       | 15,121,188                | 15,946,975                          |
| 06/30/2021         | 114,137,862                   | 99,013,198                        | 15,124,664                | 14,522,970                          |
| 06/30/2022         | 158,537,862                   | 143,413,422                       | 15,124,440                | 13,999,400                          |
| 06/30/2023         | 158,538,112                   | 143,413,158                       | 15,124,954                | 13,486,110                          |
| 06/30/2024         | 158,539,687                   | 143,417,523                       | 15,122,164                | 12,988,410                          |
| 06/30/2025         | 255,109,974                   | 239,987,315                       | 15,122,659                | 13,260,918                          |
| 06/30/2026         | 230,008,976                   | 214,885,707                       | 15,123,269                | 12,888,273                          |
| 06/30/2027         | 229,525,621                   | 214,401,903                       | 15,123,718                | 12,525,157                          |
| 06/30/2028         | 229,433,956                   | 214,307,704                       | 15,126,252                | 12,173,359                          |
| 06/30/2029         | 229,349,646                   | 214,223,632                       | 15,126,014                | 11,829,384                          |
| 06/30/2030         | 141,141,401                   | 126,016,040                       | 15,125,361                | 10,439,860                          |
| 06/30/2031         | 141,136,838                   | 126,012,729                       | 15,124,109                | 10,059,112                          |
| 06/30/2032         | 141,141,551                   | 126,015,918                       | 15,125,633                | 9,693,353                           |
| 06/30/2033         | 141,140,738                   | 126,017,244                       | 15,123,494                | 9,337,658                           |
| 06/30/2034         | 141,140,488                   | 126,013,521                       | 15,126,967                | 8,997,596                           |
| 06/30/2035         | 141,143,351                   | 126,016,563                       | 15,126,788                | 8,667,069                           |
| 06/30/2036         | 141,136,051                   | 126,012,033                       | 15,124,018                | 8,347,649                           |
| 06/30/2037         | 141,141,126                   | 126,014,881                       | 15,126,245                | 8,042,660                           |
| 06/30/2038         | 141,136,976                   | 126,015,141                       | 15,121,835                | 7,745,502                           |
| 06/30/2039         | 141,139,576                   | 126,013,038                       | 15,126,538                | 7,463,220                           |
| 06/30/2040         | 408,330,488                   | 393,209,721                       | 15,120,767                | 8,615,339                           |
| 06/30/2041         | 128,530,675                   | 113,409,500                       | 15,121,175                | 6,976,323                           |
| 06/30/2042         | 86,929,500                    | 71,808,720                        | 15,120,780                | 6,721,209                           |
| <b>Total</b>       | <b>\$ 3,919,798,226</b>       | <b>\$ 3,571,945,197</b>           | <b>\$ 347,853,029</b>     | <b>\$ 244,727,505</b>               |

## **AGENDA ITEM F**

### **RESOLUTION AUTHORIZING THE PAYMENT OF COSTS OF ISSUANCE IN CONNECTION WITH THE ISSUANCE OF THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY'S TRANSPORTATION SYSTEM BONDS, 2019 SERIES A (TAX-EXEMPT) AND 2019 SERIES B (FEDERALLY TAXABLE)**

The attached resolution authorizes the payment of expenses that are expected to be incurred in connection with the issuance of the Transportation System Bonds, 2019 Series A (Tax-Exempt) and 2019 Series B (Federally Taxable), consisting of one or more Series of fixed rate bonds authorized to be issued under the Thirty-First Supplemental Transportation System Bond Resolution, adopted on October 17, 2019. Such expenses include those of bond counsel, the rating agencies, the trustee, trustee's counsel, and miscellaneous expenses.

**RESOLUTION AUTHORIZING THE PAYMENT OF COSTS OF ISSUANCE IN  
CONNECTION WITH THE ISSUANCE OF THE NEW JERSEY TRANSPORTATION  
TRUST FUND AUTHORITY'S TRANSPORTATION SYSTEM BONDS, 2019 SERIES A  
(TAX-EXEMPT) AND 2019 SERIES B (FEDERALLY TAXABLE)**

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

**WHEREAS**, the Authority determined at its meeting on October 17, 2019 to authorize the issuance of its Transportation System Bonds, 2019 Series A (Tax-Exempt) and 2019 Series B (Federally Taxable) in one or more Series of fixed rate bonds in an aggregate principal amount not to exceed \$2,500,000,000 (collectively the "2019 Bonds") for the purpose of refunding certain outstanding Transportation System Bonds of the Authority pursuant to the 1995 Transportation System Bond Resolution (the "1995 Transportation System Bond Resolution"), and the Thirty-First Supplemental Transportation System Bond Resolution (the "Thirty-First Supplemental Resolution"); and

**WHEREAS**, in connection with the issuance of the 2019 Bonds, it will be necessary for the Authority to incur various costs of issuance ("Costs of Issuance") as described in Exhibit "A" attached hereto; and

**WHEREAS**, the Authority has determined that the Costs of Issuance should be approved for payment upon completion of the issuance of the 2019 Bonds.

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

1. The Costs of Issuance as described in Exhibit "A" attached hereto are hereby approved for payment upon the issuance of the Bonds in amounts not in excess of ten percent (10%) of the amounts shown.
2. If the amount of a Cost of Issuance exceeds the estimated amount on Exhibit "A", the Executive Director may pay the additional amount of such Cost of Issuance, if he determines that the amount of such expense is reasonable and proper and/or customary under the circumstances; provided that each of the expenses is in an amount not in excess of one hundred and ten percent (110%) of the amount indicated, except with respect to the bond counsel fee which the Executive Director may pay in the amount approved by the Attorney General's Office as set forth in the bond counsel retention letter(s).
3. The Executive Director is hereby authorized to take and do any and all acts and things as may be necessary in connection with the payment of such Costs of Issuance.
4. This Resolution shall take effect upon adoption in accordance with the Act.

**EXHIBIT “A”**

**TRANSPORTATION SYSTEM BONDS  
2019 SERIES A (TAX-EXEMPT)  
2019 SERIES B (FEDERALLY TAXABLE)**

| <b><u>EXPENSE</u></b> | <b><u>PAYEE</u></b>            | <b><u>ESTIMATED FEES</u></b> |
|-----------------------|--------------------------------|------------------------------|
| Bond Counsel*         | McCarter & English, LLP        | \$66,000                     |
| Printer               | TBD                            | \$5,000                      |
| Rating Agency         | Standard & Poor’s              | \$260,000                    |
| Rating Agency         | Moody’s Investor’s Service     | \$225,000                    |
| Rating Agency         | Fitch Ratings                  | \$125,000                    |
| Trustee               | U.S. Bank National Association | \$5,000                      |
| Escrow Agent          | U.S. Bank National Association | \$3,000                      |
| Trustee’s Counsel     | TBD                            | \$10,000                     |
| Bidding Agent         | TBD                            | \$15,000                     |
| Verification Agent    | TBD                            | \$10,000                     |
| Structuring Fee**     | Office of Public Finance       | \$250,000                    |
| <b>TOTAL:</b>         |                                | <b>\$974,000</b>             |

\*Note that the Bond Counsel Fee is subject to approval by the Attorney General’s Office and the estimate is only as of the date of this Resolution.

\*\*\* Structuring Fee includes: reimbursement to the Department of the Treasury for use of Treasury staff time and resources; reimbursement for Attorney General’s Office staff time and resources; publication costs; and other miscellaneous costs related to the sale, issuance, and ongoing support of the 2019 Bonds.