

**CERTIFICATE AS TO 1995 TRANSPORTATION
SYSTEM BOND RESOLUTION**

Dated: October 17, 2018

I, LINDA M. DAVINO, Secretary of the New Jersey Transportation Trust Fund Authority (the "Authority"), HEREBY CERTIFY in connection with the issuance by the Authority of its \$1,567,435,000 Transportation System Bonds, 2018 Series A, that attached hereto is a true, correct and complete copy of the Authority's 1995 Transportation System Bond Resolution, duly adopted on June 15, 1995, as in effect on the date hereof.

[Signature to follow.]

IN WITNESS WHEREOF, I have hereunto set my hand as of the date first above written.

**NEW JERSEY TRANSPORTATION
TRUST FUND AUTHORITY**

By: 
LINDA M. DAVINO
Secretary

[Signature Page to Certificate as to 1995
Transportation System Bond Resolution]

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

1995 TRANSPORTATION SYSTEM BOND RESOLUTION

ADOPTED JUNE 15, 1995

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1995 TRANSPORTATION SYSTEM BOND RESOLUTION

ADOPTED JUNE 15, 1995

BE IT RESOLVED by the New Jersey Transportation Trust Fund Authority as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

SECTION 101. Definitions. The following terms shall, for all purposes of the Resolution, have the following meanings:

Account or Accounts shall mean, as the case may be, each or all of the Accounts to be established pursuant to Section 502.

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.

Accreted Value shall mean, as of any date of computation with respect to any Compound Interest Bond, an amount equal to the principal amount of such Compound Interest Bond at original issuance, plus the interest accrued on such Compound Interest Bond from the date of its original issuance to the Compounding Date next preceding the date of computation or the date of computation if a Compounding Date, such interest to accrue at the interest rate per annum of the Compound Interest Bonds set forth in the Supplemental Resolution or Series Certificate authorizing such Compound Interest Bonds, compounded on each Compounding Date in each year, plus, with respect to matters related to the payment upon redemption or acceleration of the Compound Interest Bonds, if such date of computation shall not be a Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Compounding Date (or the date of original issuance if the date of computation is prior to the first Compounding Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Compounding Date, calculated based upon an assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on such basis as shall be set forth in the Supplemental Resolution or Series Certificate authorizing the Series of which such Compound Interest Bond is a part.

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.

Appreciated Value shall mean, (i) as of any date of computation with respect to any Compound Interest and Income Bond prior to the Interest Commencement Date set forth in the Supplemental Resolution or Series Certificate authorizing such Compound Interest and Income Bond, an amount equal to the principal amount of such Compound Interest and Income Bond at original issuance plus the interest accrued on such Compound Interest and Income Bond from the date of original issuance of such Bond to the Compounding Date next preceding the date of computation or the date of computation if a Compounding Date, such interest to accrue at the rate per annum of the Compound Interest and Income Bonds set forth in the Supplemental Resolution or Series Certificate authorizing such Compound Interest and Income Bond, compounded semi-annually on each Compounding Date, plus, if such date of computation shall not be a Compounding Date, a portion of the difference between the Appreciated Value as of the immediately preceding Compounding Date (or the date of original issuance if the date of computation is prior to the first Compounding Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Compounding Date calculated based upon an assumption that Appreciated Value accrues during any period in equal daily amounts on such basis as shall be set forth in the Supplemental Resolution or Series Certificate authorizing the Series of which such Compound Interest and Income Bond is part, and (ii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

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 Section 502.

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 hereof, 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 Section 703 and Section 304.

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.

Compound Interest and Income Bonds shall mean any Bonds as to which accruing interest is not paid prior to the Interest Commencement Date specified in the Supplemental Resolution or Series Certificate authorizing such Bonds and the Appreciated Value for such Bonds is compounded on each of the applicable Compounding Dates designated for compounding prior to the Interest Commencement Date for such Compound Interest and Income Bonds, all as so designated by the Supplemental Resolution or Series Certificate relating to the issuance thereof.

Compound Interest Bonds shall mean those Bonds as to which interest is compounded on each of the applicable Compounding Dates designated for compounding and payable in an amount equal to the then current Accreted Value only at the maturity, earlier redemption or other payment date therefor, all as so designated by the Supplemental Resolution or Series Certificate relating to the issuance thereof.

Compounding Date shall mean, with respect to any Series of Compound Interest and Income Bonds or Compound Interest Bonds, the dates set forth in the Supplemental Resolution or Series Certificate authorizing such Series of Bonds as of which interest accrued on the Bonds of such Series shall be added to the Appreciated Value or Accreted Value, as the case may be, of the Bonds of such Series, which dates shall be Interest Payment Dates for the Bonds of such Series.

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 Section 502.

Debt Service Reserve Fund shall mean the Debt Service Reserve Fund established in Section 502.

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.

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 Section 502.

Interest Commencement Date shall mean, with respect to any particular Compound Interest and Income Bond, the date which must be an Interest Payment Date, specified in the Supplemental Resolution or Series Certificate authorizing such Bond (which date must be prior to the maturity date for such Bond) after which interest accruing on such Bond shall be payable semiannually, with the first such payment date being the applicable Interest Payment Date immediately succeeding such Interest Commencement Date.

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 (102%) percent 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 sub-categories, 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-1" or "A3" or better by Moody's and "A-1" 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 this 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 "A1" by Moody's if the Bonds are then rated by such Rating Agency; and

(xiv) Investment Agreements.

Maximum Interest Rate shall mean, with respect to any particular Variable Interest Rate Bond, a numerical rate of interest, which shall be set forth in the Supplemental Resolution or Series Certificate authorizing such Variable Interest Rate Bond, that shall be the maximum rate of interest such Variable Interest Rate Bond may at any time bear.

Month shall mean a calendar month.

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 Article IV;
- (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III or Section 406 or Section 1106;
- (iv) Bonds deemed to have been paid as provided in subsections 2 or 3 of Section 1201; 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 other moneys, securities or funds pledged for the payment of the Bonds in accordance with the terms and provisions of this 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 and 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.

Prior Bond Resolution shall mean the Authority's Amended and Restated Transportation System Bond Resolution adopted on March 16, 1988, as amended and supplemented.

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 Section 502.

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, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Section 406 or Section 1106.

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 this 1995 Transportation System Bond Resolution as from time to time amended or supplemented by Supplemental Resolutions and Series Certificates in accordance with the terms hereof.

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 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.

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 Article III or Section 406 or Section 1106, regardless of variations in maturity, interest rate, redemption provisions or other provisions.

Series Certificate shall mean a 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 this 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 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.

Subordinated Debt Fund shall mean the Subordinated Debt Fund established in Section 502.

Supplemental Resolution shall mean any resolution supplemental to or amendatory of the Resolution adopted by the Authority in accordance with Article X hereof.

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 Section 506.

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, and any assignments thereof.

Transportation Improvement Fund shall mean the Transportation Improvement Fund established in Section 502.

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 any one 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.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, districts, agencies and bodies.

SECTION 102. Authority for the Resolution. This Resolution is adopted pursuant to the provisions of the Act.

SECTION 103. Resolution to Constitute Contract.

(a) In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Authority and the Holders from time to time of the Bonds; and the security interest granted and the pledge and assignment made in the Resolution and the covenants and agreements therein set forth to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, all except as expressly provided in or permitted by the Resolution.

(b) To the extent provided in the Supplemental Resolution or Series Certificate authorizing a Series of Bonds, (i) any and all Bonds of such Series may be secured by and payable from, in whole or in part, a Financing Facility, (ii) the security interest granted and the pledge and assignment made in the Resolution may also secure, on a parity with or subject and subordinate to, all other Bonds issued under the Resolution, the Authority's Financing Facility Payment Obligations with respect thereto, provided, however that the aggregate amount of indebtedness which may be secured by this Resolution with respect to any Series of Bonds on a parity with all other Bonds issued or to be issued under the Resolution may not exceed the aggregate principal amount of, premium, if any, and interest on the Bonds of such Series, and (iii) Related Swap Bond Payment Obligations may be payable solely from the applicable Swap Revenues, and such Swap Revenues may be pledged solely to and shall be applied solely for the payment of such Related Swap Bond Payment Obligations.

(c) To the extent provided in any Supplemental Resolution or Series Certificate, or any other resolution of the Authority, authorizing the issuance of Subordinated Debt meeting the requirements set forth in Section 511, the security interest granted and the pledge and assignment made in the Resolution may also secure such Subordinated Debt, but only to the extent of amounts, if any, from time to time on deposit in the Subordinated Debt Fund and available for payment of Subordinated Debt, and subject and subordinate to the security interest granted and the pledge and assignment of such amounts made in the Resolution for the benefit of the Bonds and the Financing Facility Payment Obligations.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS AND SUBORDINATED DEBT

SECTION 201. Authorization of Bonds.

1. The Authority is hereby authorized to issue from time to time, as hereinafter provided, Bonds of the Authority to be designated as "Transportation System Bonds", or in the case of notes or Other Obligations, such designation as shall be set forth in the Supplemental Resolution or Series Certificate authorizing such notes or Other Obligations. The aggregate principal amount of the Bonds and Subordinated Debt which may be executed, authenticated and delivered under the Resolution is not limited except as the aggregate principal amount of Bonds and Subordinated Debt which may be executed, authenticated and delivered may be limited by the Act or any other applicable law.

2. The Bonds may be issued in one or more Series, and the designation thereof, in addition to the name "Transportation System Bonds" (where applicable), shall include such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as the Authority may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

3. Nothing in the Resolution shall be deemed to preclude or prevent the consolidation into a single Series for purposes of issuance and sale of Bonds otherwise permitted by the Resolution to be issued at the same time in two or more separate Series, provided that solely for the purpose of satisfying the requirements of Section 202 or Section 205, as the case may be, the Bonds otherwise permitted by the Resolution to be issued as a separate Series shall be considered separately as if such Bonds were to be issued as a separate Series. In the event that separate Series are combined for purposes of issuance and sale, they may be issued under a single Supplemental Resolution notwithstanding any other provision of the Resolution.

SECTION 202. General Provisions for Issuance of Bonds.

1. 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) [Intentionally Omitted]

(2) 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, which shall, among other provisions, specify: (a) the authorized maximum principal amount, designation and Series of such Bonds; (b) the purposes for which such Series of Bonds is being issued, which shall be (i) the payment of State Transportation System Costs, (ii) the refunding of Bonds as provided in Section 205 or (iii) any other lawful purpose permitted under the Act; (c) the date, and the maturity date or dates, of the Bonds of such Series; (d) if any Bonds of such Series are current interest Bonds, the interest rate or rates or the method of calculation of the interest rate or rates of the Bonds of such Series and the Interest Payment Dates therefor, and if any Bonds of such Series are Compound Interest Bonds or Compound Interest and Income Bonds, the Accreted Value or Appreciated Value, as the case may be, on each Compounding Date, and if any Bonds of such Series are Variable Interest Rate Bonds, the Maximum Interest Rate for such Bonds, and the provisions, if any, as to the calculation or change of such Variable Interest Rates; (e) the denominations of, and the manner of dating, numbering and lettering, the Bonds of such Series; (f) the Redemption Price or Prices or prepayment price or prices, if any, and, subject to Article IV, the redemption or prepayment terms for the Bonds of such Series; (g) provisions for the sale of the Bonds of such Series; (h) the amount (or the method of determining the amount), if any, to be deposited from the proceeds of such Series of Bonds or other sources in the Debt Service Fund and provisions for the application thereof to the payment of all or a portion of the interest on such Series of Bonds or any other Series of Bonds; (i) the amount (or method of determining the amount), if any, to be deposited from the proceeds of such Series of Bonds in the Debt Service Reserve Fund; (j) the amount, if any, to be deposited from the proceeds of such Series of Bonds in the Authority Reserve Fund; (k) the form of the Bonds of such Series, and the form of the Trustee's certificate of authentication (if applicable), which forms shall be, respectively, substantially in the forms set forth in Section 1301, with such variations, omissions or insertions as are required or permitted by the Resolution; (l) with regard to Option Bonds, provisions regarding tender and payment thereof; (m) provisions, if any, for furnishing a Financing Facility with respect to such Series; and (n) such other provisions as the Authority may deem necessary or desirable in connection with the issuance of such Series of Bonds. Notwithstanding the foregoing, the Authority may delegate to an Authorized Officer of the Authority the authority to determine by Series Certificate any of the matters that are required to be set forth in a Supplemental Resolution other than the maximum principal amount of the Bonds of such Series, the final maturity date of the Bonds of such Series and, if the Bonds of such Series are not to be sold by competitive sale, the maximum interest rate (whether or not the Bonds of such Series are Variable Interest Rate Bonds) or true interest cost with respect to such Bonds.

(3) 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;

(4) A written order as to the delivery of such Bonds, signed by an Authorized Officer of the Authority;

(5) 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;

(6) 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;

(7) [Intentionally Omitted]

(8) 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

(9) [Intentionally Omitted]

(10) Such further documents, moneys, securities and evidences of deposit of funds with the Trustee as are required by the provisions of Section 205 or Article X or the Supplemental Resolution or Series Certificate authorizing such Series of Bonds.

2. After the original issuance of Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III or Section 406 or Section 1106.

SECTION 203. [Intentionally Omitted]

SECTION 204. [Intentionally Omitted]

SECTION 205. Refunding Bonds.

1. 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.

2. Refunding Bonds of each Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by Section 202) 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, subject to the provisions of Section 1201 hereof;

(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 Section 1201 to the Holders of the Bonds being refunded; and

(3) Either (i) moneys (including moneys withdrawn and deposited pursuant to subsection 4 of Section 506 and subsection 4 of Section 507) 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 subsection 2 of Section 1201, which Federal Securities and moneys shall be held in trust and used only as provided in said subsection 2.

(4) Such further documents and moneys as are required by the provisions of Article X or any Supplemental Resolution or Series Certificate authorizing such Refunding Bonds.

3. 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 206. Subordinated Debt. The Authority is hereby authorized to issue from time to time Subordinated Debt, the provisions for issuance and general terms and provisions of which shall be as set forth in the Supplemental Resolution or Series Certificate authorizing such Subordinated Debt, subject however, in all cases, to the provisions of Section 511.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS AND OTHER OBLIGATIONS

SECTION 301. Medium of Payment; Form and Date; Letters and Numbers.

1. The Bonds shall be payable, with respect to interest, principal and Redemption Price, 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.

2. The Bonds of each Series may be issued only in the form of fully registered Bonds without coupons, and unless otherwise authorized by a Supplemental Resolution or Series Certificate, the Bonds of each Series shall be in substantially the form set forth in Section 1301 or substantially in the form set forth in the Supplemental Resolution or Series Certificate authorizing such Series.

3. Each Bond shall be lettered and numbered as provided in the Resolution or the Supplemental Resolution or Series Certificate authorizing the Series of which such Bond is a part and so as to be distinguished from every other Bond.

4. Except as may be otherwise provided for any Series of Bonds in the Supplemental Resolution or Series Certificate authorizing such Series of Bonds, the Bonds of each Series shall be dated as of the Interest Payment Date next preceding the date of authentication thereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case they

shall be dated as of such date of authentication; provided, however, that if, as shown by the records of the Trustee, interest on the Bonds of any Series shall be in default, the Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered; provided, further, that if the date of authentication shall be prior to the first Interest Payment Date for the Bonds of such Series, Bonds shall be dated as provided in the Supplemental Resolution or Series Certificate authorizing the Bonds of such Series. Bonds of each Series shall bear interest from their date.

SECTION 302. Legends. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the Authority prior to the authentication and delivery thereof.

SECTION 303. Execution and Authentication.

1. The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chairperson, Vice Chairperson or Executive Director and its seal (or a facsimile thereof), if any, shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of its Secretary or an Assistant-Secretary, or in such other manner as may be required or permitted by law. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officers before the Bonds so signed and sealed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond may be signed and sealed on behalf of the Authority by such persons as at the time of the execution of such Bonds shall be duly authorized or hold the proper office in the Authority, although at the date borne by the Bonds of such Series such persons may not have been so authorized or have held such office.

2. The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in Section 1301, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Authority shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under the Resolution and that the Holder thereof is entitled to the benefits of the Resolution.

SECTION 304. Exchange, Transfer and Registry.

1. The Bonds shall be transferable only upon the books of the Authority, which shall be kept for such purposes at the principal corporate trust office of the Bond Registrar, by the registered owner thereof in person or by such registered owner's attorney duly authorized in writing, upon surrender thereof 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. Upon

the transfer of any Bond the Authority shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, Series and maturity as the surrendered Bond. For purposes of the Resolution, Option Bonds which are required to be tendered pursuant to the provisions of the Resolution shall be deemed surrendered for transfer even though such Bonds have not been actually delivered.

2. The registered owner of any Bond or Bonds of one or more denominations shall have the right to exchange such Bond or Bonds for a new Bond or Bonds of any denomination as the same aggregate principal amount and Series and maturity of the surrendered Bond or Bonds. Such Bond or Bonds shall be exchanged by the Authority for a new Bond or Bonds upon the request of the registered owner thereof in person or by such registered owner's attorney duly authorized in writing, upon surrender of such Bond or Bonds together with a written instrument requesting such exchange satisfactory to the Bond Registrar duly executed by the registered owner or such registered owner's duly authorized attorney.

3. The Authority and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the Authority as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for the payment of the purchase price of any Option Bond tendered to the Authority and for all other purposes, and all such payments so made to any such registered owner or upon such registered owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority nor any Fiduciary shall be affected by any notice to the contrary.

SECTION 305. Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. All Bonds surrendered in any such exchange or transfer shall forthwith be delivered to the Trustee and cancelled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the Authority nor the Bond Registrar shall be required (a) to exchange or transfer Bonds of any Series for a period beginning on the Record Date next preceding an Interest Payment Date for Bonds of a particular Series and ending on such interest payment date, or for a period of fifteen days next preceding the date (as determined by the Trustee) of any selection of Bonds to be redeemed and thereafter until after the mailing of the notice of redemption, (b) to transfer or exchange any Bonds called for redemption or (c) to transfer or exchange any Option Bonds called for mandatory purchase.

SECTION 306. Bonds Mutilated, Destroyed, Stolen or Lost. If any Bond becomes mutilated or is lost, stolen or destroyed, the Authority may execute and the Trustee shall authenticate and deliver a new Bond of like date of issue, maturity date, principal amount and interest rate per annum as the Bond so mutilated, lost, stolen or destroyed, provided that (i) in the case of such mutilated Bond, such Bond is first surrendered to the Authority, (ii) in the case of any

such lost, stolen or destroyed Bond, there is first furnished evidence of such loss, theft or destruction satisfactory to the Authority together with indemnity satisfactory to the Authority and the Trustee, (iii) all other reasonable requirements of the Authority are complied with, and (iv) expenses in connection with such transaction are paid by the Holder. Any Bond surrendered for transfer shall be cancelled. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under the Resolution, in any moneys or securities held by the Authority or any Fiduciary for the benefit of the Bondholders.

SECTION 307. Temporary Bonds.

1. Until the definitive Bonds of any Series are prepared, the Authority may execute, in the same manner as is provided in Section 303, and upon the request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Authority at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds, the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, definitive Bonds of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to the Resolution.

2. All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

SECTION 308. Other Obligations. The general terms and provisions of any Other Obligations issued under this Resolution, including, but not limited to, any or all of the items set forth in this Article III with respect to the issuance of Bonds, shall be as set forth in the Supplemental Resolution or Series Certificate authorizing the issuance of such Other Obligations.

ARTICLE IV

REDEMPTION OF BONDS

SECTION 401. Privilege of Redemption and Redemption Price. Bonds subject to redemption prior to maturity pursuant to a Supplemental Resolution or a Series Certificate shall be redeemable, upon notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms in addition to the terms contained in this Article IV as may be specified in the Supplemental Resolution or Series Certificate authorizing such Series.

SECTION 402. Redemption at the Election or Direction of the Authority. In the case of any redemption of Bonds at the election or direction of the Authority, the Authority shall give written notice to the Trustee of its election or direction so to redeem, of the redemption date, of the Series, and of the principal amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities and principal amounts thereof to be redeemed shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in the Resolution). Such notice shall be given at least forty (40) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section 405 provided, there shall be paid on or prior to the redemption date to the appropriate Paying Agents an amount which, in addition to other moneys, if any, available therefor held by such Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Bonds to be redeemed. The Authority shall promptly notify the Trustee in writing of all such payments by it to such Paying Agents.

SECTION 403. Redemption Otherwise Than at the Authority's Election or Direction. Whenever by the terms of the Resolution the Trustee is required or authorized to redeem Bonds otherwise than at the election or direction of the Authority, the Trustee shall (i) select the Bonds or portions of Bonds to be redeemed, (ii) give the notice of redemption and (iii) pay out of moneys available therefor the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, to the appropriate Paying Agents in accordance with the terms of this Article IV and, to the extent applicable, Sections 506 and 507.

SECTION 404. Selection of Bonds to be Redeemed. Unless otherwise provided in the Resolution, if less than all of the Bonds of like maturity of any Series shall be called for prior redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that the portion of any Bond (other than a Compound Interest Bond or Compound Interest and Income Bond prior to its Interest Commencement Date) of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof, and that, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing by \$5,000 the principal amount of such Bond to be redeemed in part. For purposes of this Section 404, if less than all of the Compound Interest Bonds or Compound Interest and Income Bonds prior to their respective Interest Commencement Dates shall be called for prior redemption, the portion of any Compound Interest Bond or Compound Interest and Income Bond of a denomination of more than \$5,000 due at maturity to be redeemed shall be in the amount due at maturity of \$5,000 or a multiple thereof, and, in selecting portions of such Compound Interest Bond or Compound Interest and Income Bond for redemption, the Trustee shall treat such Compound Interest Bond or Compound Interest and Income Bond as representing that number of Compound Interest Bonds or Compound Interest and Income Bonds of \$5,000 amount due at maturity which is obtained by dividing the amount due at maturity of such Compound Interest Bond or Compound Interest and Income Bond to be redeemed in part by \$5,000.

SECTION 405. Notice of Redemption. When the Trustee shall receive notice from the

Authority of its election or direction to redeem Bonds pursuant to Section 402, and when redemption of Bonds is authorized or required pursuant to Section 403, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall specify the Series and maturities of the 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 Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of 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 Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of 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 (or such other period as may be specified in the Supplemental Resolution or Series Certificate authorizing the Bonds to be redeemed) prior to the redemption date, to the registered owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry books. Such notices shall also be given by publication once a week for at least two successive weeks in any Authorized Newspaper, the first such publication to be sent not less than 30 days nor more than 60 days prior to the redemption date. Failure of the registered owner of any Bonds which are to be redeemed to receive any notice, or failure of the Authority to publish notices of redemption as provided in the immediately preceding sentence, shall not affect the validity of the proceedings for the redemption of the Bonds.

SECTION 406. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 405, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price, plus interest accrued and unpaid to the redemption date. If there shall be called for redemption less than all of a Bond, the Authority shall execute and the Trustee shall authenticate and the Paying Agent shall deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, Bonds of like Series and maturity in any authorized denominations. If, on the redemption date, moneys for the redemption of all of the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

SECTION 407. Adjustment of Sinking Fund Installments Upon Redemption of Bonds. Upon any purchase or redemption (other than mandatory sinking fund redemption) of Bonds of any Series and maturity for which sinking fund redemption 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 to be so credited.

SECTION 408. Redemption or Prepayment of Other Obligations. Other Obligations shall be subject to redemption or prepayment at such times, if any, and subject to such terms and conditions as shall be set forth in the Supplemental Resolution or Series Certificate authorizing such Other Obligations.

ARTICLE V

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

SECTION 501. The Pledge Effected by the Resolution.

1. 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 hereby pledged and assigned as security for the payment of the Authority's Bond Payment Obligations and, to the extent provided in Section 103 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 Section 103 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.

2. All Pledged Property and, if any, the Debt Service Reserve Fund and the Financing Facility Revenues shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this 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.

3. Nothing contained in this Section 501 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.

4. 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.

5. Notwithstanding any other provision contained in this Resolution for so long as any bonds remain outstanding under the Prior Bond Resolution, all Bonds and Subordinated Debt issued hereunder, and all Financing Facility Payment Obligations, shall be subject and subordinate to such bonds issued under the Prior Bond Resolution and shall constitute Subordinated Debt thereunder, and the pledge and application of the Pledged Property under this Resolution shall be limited to the extent necessary so as not to constitute a breach of any of the Authority's covenants and agreements under the Prior Bond Resolution or a default under the Prior Bond Resolution.

SECTION 502. Establishment of Funds and Accounts. The following Funds and Accounts are hereby established:

- (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, to be held by the Trustee;
- (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 503. Transportation Improvement Fund. (a) 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.

(b) 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 504. [Intentionally Omitted]

SECTION 505. Payments into Certain Funds.

1. 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.

2. 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.

3. Subject and subordinate at all times to the payments, credits or transfers required pursuant to paragraphs 1 and 2 of this Section 505, 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.

4. 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.

5. 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.

6. 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.

7. 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 506. Debt Service Fund.

1. The Trustee shall pay out 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, 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 pay out of the Debt Service Fund the accrued interest included in the purchase price of Bonds purchased for retirement.

2. 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 subsection 2 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.

3. 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.

4. 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 subsection 2 of Section 1201.

5. 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 subaccounts 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 507. Debt Service Reserve Fund.

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1. 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 Section 508 and 509 hereof, 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.

2. 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.

3. 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 subsection, 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.

4. 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 subsection 2 of Section 1201, 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 508. Subordinated Debt Fund.

1. Subject to subsection 2 of this Section 508, 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 Series Certificate or other resolution or debt instrument authorizing each issue of Subordinated Debt.

2. Notwithstanding any other provisions of this Section 508, 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 provided for in paragraph 2 of Section 509, 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.

3. 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 paragraph 3 of Section 509, if any, and the amounts on deposit in the Subordinated Debt Fund are not needed for transfer to the Debt Service Fund pursuant to subsection 2 of this Section 508, 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 509. Authority Reserve Fund.

1. 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.

2. Notwithstanding any of the provisions of this Section, 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.

3. 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 subsection 2 of this Section 509, 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 509A. 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 510. Cancellation and Destruction of Bonds. Except as may be otherwise provided with respect to Option Bonds in the Supplemental Resolution or Series Certificate providing for the issuance thereof, all Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds, together with all Bonds purchased or redeemed pursuant to Section 506 which have been delivered to the Trustee and all Bonds purchased or redeemed by the Trustee, shall thereupon be promptly cancelled. Bonds so cancelled shall be destroyed by the Trustee, which shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the bonds so destroyed, and one executed certificate shall be filed with the Authority and the other executed certificate shall be retained by the Trustee.

SECTION 511. Subordinated Debt.

1. 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

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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 (which parity obligations are deemed to be included within the definition of the term "Bonds" for purposes of this Section 511 only).

2. The Authority may also, at any time or from time to time, issue Subordinated Debt to refund any Subordinated Debt issued as provided in this Section 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.

3. 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 (hereinafter in this subsection referred to 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.

4. 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.

ARTICLE VI

DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

SECTION 601. Depositories.

1. All moneys held by the Trustee and the Authority under the provisions of the Resolution shall constitute trust funds and the Trustee and the Authority may deposit such moneys with one or more Depositories in trust for said parties. All moneys deposited under the provisions of the Resolution with the Trustee or any Depository shall be held in trust and applied only in accordance with the provisions of the Resolution, and each of the Funds and Accounts established by the Resolution shall be a trust fund for the purposes thereof.

2. Each Depository shall 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 of \$50,000,000 or more and willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of the Resolution.

SECTION 602. Deposits.

1. All Revenues, Financing Facility Revenues, and moneys held by any Depository under the Resolution may be placed on demand or time deposit, if and as directed by the Authority, provided that such deposit shall permit the moneys so held to be available for use at the time when needed. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks and drafts on such deposit with the same force and effect as if it were not such Fiduciary. All moneys held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Authority and acceptable to such Fiduciary, on time deposit, provided that such moneys on deposit be available for use at the time when needed. Such Fiduciary shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

2. All moneys held under the Resolution by the Trustee or any Depository shall be (a) either (1) insured by the Federal Deposit Insurance Corporation, as available or (2) in the case of moneys held by the Trustee in the Debt Service Fund, continuously and fully secured by lodging with the Trustee or any Federal Reserve Bank, as custodian, as collateral security, Federal Securities having a market value not less than the amount of such moneys, and (b) held in such other manner as may then be required by applicable Federal or State of New Jersey laws and regulations and applicable state laws and regulations of the state in which the Trustee or such Depository (as the case may be) is located, regarding security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that, to the extent permitted by law, it shall not be necessary for the Fiduciaries to give security under this subsection 2 for the deposit of moneys with them held in trust and set aside by them for the payment of the principal or Redemption Price of or interest on any Bonds; or for the Trustee or any Depository to give security for any moneys which shall be represented by obligations or certificates of deposit purchased as an investment of such moneys.

3. All moneys deposited with the Trustee and each Depository shall be credited to the particular Fund or Account to which such moneys belong and, except as provided with respect to the investment of moneys in Investment Securities in Section 603 hereof, the moneys credited to each particular Fund or Account shall be kept separate and apart from, and not commingled with, any moneys credited to any other Fund or Account or any other moneys deposited with the Trustee and each Depository.

SECTION 603. Investment of Certain Funds.

1. 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.

2. 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.

3. 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.

4. 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 604. Valuation and Sale of Investments.

1. Obligations purchased as an investment of moneys in any Fund or Account created under the provisions of the Resolution shall be deemed at all times to be a part of such Fund or Account and any profit realized from the liquidation of such investment shall be credited to such Fund or Account, and any loss resulting from the liquidation of such investment shall be charged to the respective Fund or Account.

2. In computing the amount in any Fund or Account created under the provisions of the Resolution for any purpose provided in the Resolution, obligations purchased as an investment of moneys therein shall be valued at the amortized cost thereof. The accrued interest paid in

connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such computation shall be determined as of January 1 in each year and at such other times as the Authority shall determine.

3. Except as otherwise provided in the Resolution, the Trustee or any Depository shall use its best efforts to sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment whenever it shall be requested in writing by an Authorized Officer of the Authority so to do. Whenever it shall be necessary, or upon direction of the Authority in accordance with the Resolution, in order to provide moneys to meet any payment or transfer from any Fund or Account held by the Trustee or any Depository, the Trustee or any Depository shall use its best efforts to sell at the best price obtainable or present for redemption such obligation or obligations designated by an Authorized Officer of the Authority necessary to provide sufficient moneys for such payment or transfer.

4. The Trustee shall not be liable or responsible for any loss resulting from any such investment, sale or presentation for investment made in the manner provided above.

SECTION 605. Swap Agreements; Financing Facilities.

1. 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.

2. 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.

3. 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.

ARTICLE VII

PARTICULAR COVENANTS OF THE AUTHORITY

The Authority covenants and agrees with the Trustee and the Bondholders as follows:

SECTION 701. Payment of Bonds. The Authority shall duly and punctually pay or cause to be paid, but solely from the Pledged Property and with respect to Reserve Fund Bonds, additionally from the applicable Account in the Debt Service Reserve Fund, (a) the principal or Redemption Price of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds, according to the true intent and meaning thereof, (b) the amount of every Financing Facility Payment Obligation as and when the same become due.

SECTION 702. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Resolution, to the benefit of the Resolution or to any payment out of Revenues or Funds established by the Resolution, including the investments, if any, thereof, pledged under the Resolution or the moneys (except moneys held in trust for the payment of particular Bonds or claims for interest pursuant to the Resolution) held by the Fiduciaries, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Authority to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

SECTION 703. Offices for Servicing Bonds. The Authority shall at all times maintain one or more agencies in the State of New Jersey, and may maintain one or more such agencies in any other state or states, where Bonds may be presented for payment. The Authority hereby appoints the Trustee as Bond Registrar, and the Trustee shall at all times maintain one or more agencies where Bonds may be presented for registration or transfer and where notices, demands and other documents may be served upon the Authority in respect of the Bonds or of the Resolution, and the Trustee shall continuously maintain or make arrangements to provide such services. The Authority hereby appoints the Paying Agent or Agents in such cities as its respective agents to maintain such agencies for the payment or redemption of Bonds.

SECTION 704. Further Assurance. At any and all times the Authority shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and funds hereby pledged, or intended so to be, or which the Authority may become bound to pledge.

SECTION 705. **Power to Issue Bonds, Pledge of Pledged Property and the Debt Service Reserve Fund.** The Authority is duly authorized under all applicable laws to create and issue the Bonds and to adopt the Resolution and to pledge the Pledged Property and the Debt Service Reserve Fund purported to be subjected to the lien of the Resolution in the manner and to the extent provided in the Resolution. The Pledged Property and the Debt Service Reserve Fund so pledged is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with the pledge and assignment created by the Resolution, and all action on the part of the Authority to that end has been and will be duly and validly taken, except for the superior lien of the Prior Series Bonds as provided herein prior to the defeasance of the Prior Series Bonds. The Bonds and the provisions of the Resolution are and will be the valid and legally binding obligations of the Authority. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Property and the Debt Service Reserve Fund pledged under the Resolution and all the rights of the Bondholders under the Resolution against all claims and demands of all persons whomsoever.

SECTION 706. **Creation of Liens.** The Authority shall not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a pledge or assignment of the Pledged Property or the Debt Service Reserve Fund held or set aside by the Fiduciaries under the Resolution and shall not create or cause to be created any lien or charge on the Pledged Property or the Debt Service Reserve Fund, provided, however, that nothing contained in the Resolution shall prevent the Authority from issuing, if and to the extent permitted by law (i) evidences of indebtedness payable out of or secured by a pledge and assignment of the Pledged Property or the Debt Service Reserve Fund on and after such date as the pledge of the Pledged Property or the Debt Service Reserve Fund provided in the Resolution shall be discharged and satisfied as provided in Section 1201 or (ii) Subordinated Debt.

SECTION 707. [Intentionally Omitted]

SECTION 708. **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 709. **Accounts and Reports.**

1. The Authority shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in accordance with generally accepted accounting principles in which complete and correct entries shall be made of its transactions relating to the amount of Revenues and the application thereof and each Fund or Account established under the

Resolution. All books and papers of the Authority shall, subject to the terms thereof, at all times be subject to the inspection of the Trustee, the Holders of an aggregate of not less than 5% in principal amount of the Bonds then Outstanding, each Financing Facility Provider and the holders of not less than 5% in principal amount of any Subordinated Debt then outstanding, or their respective representatives duly authorized in writing.

2. The Trustee and any Depository shall advise the Authority as soon as practicable after the end of each month of the respective transactions during such month relating to each Fund or Account held by it under the Resolution.

3. The Authority shall annually, within 180 days after the close of each Fiscal Year file with the Trustee, and otherwise as provided by law, a copy of an annual report for such Fiscal Year, accompanied by an Accountant's Certificate and including the following statements in reasonable detail: (i) a statement of assets and liabilities as of the end of such Fiscal Year; (ii) a statement of Revenues and expenses of the Authority for such Fiscal Year; and (iii) a summary with respect to each Fund or Account established under the Resolution of the changes in financial condition during such Fiscal Year and the amount held therein at the end of such Fiscal Year. Such Accountant's Certificate shall state whether or not, to the knowledge of the signer, the Authority is in default with respect to any of the covenants, agreements or conditions on its part contained in the Resolution, and if so, the nature of such default.

4. The Authority shall file with the Trustee (a) forthwith upon becoming aware of any Event of Default or default in the performance by the Authority of any covenant, agreement or condition contained in the Resolution, a certificate signed by an Authorized Officer of the Authority and specifying such Event of Default or default and (b) within 120 days after the end of each Fiscal Year, a certificate signed by an appropriate Authorized Officer of the Authority stating whether, to the best of his or her knowledge and belief, the Authority has kept, observed, performed and fulfilled its covenants and obligations contained in the Resolution and that there does not exist at the date of such certificate any default by the Authority under the Resolution or any Event of Default or other event which, with the lapse of time specified in Section 801, would become an Event of Default, or, if any such default or Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

5. The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of the Resolution shall be available for the inspection of Bondholders at the office of the Trustee and shall be mailed to each Bondholder who shall file a written request therefor with the Authority. The Authority and the Trustee may charge to each Bondholder requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

SECTION 710. Maintenance of Existence, Compliance with Resolution and Act and Other Matters.

1. The Authority shall at all times maintain its existence and shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act and the Resolution.

2. Upon the date of authentication and delivery of any of the Bonds, 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 such Bonds shall exist, have happened and have been performed, and the issue of such Bonds, together with all other obligations of the Authority, shall comply in all respects with the applicable laws of the State of New Jersey.

SECTION 711. Swap Agreements and Financing Facilities. Subject to Section 712, the Authority shall maintain in full force and effect, and duly and punctually perform its obligations under, any Swap Agreement or agreement entered into by it in connection with the issuance of any Financing Facility, including the payment when due, but solely from the Pledged Property, of all Financing Facility Payment Obligations.

SECTION 712. Obligation to Enforce Swap Agreements and Financing Facilities. Irrespective of whether an Event of Default shall have occurred or be continuing, the Trustee shall take any and all action necessary or appropriate to enforce, on behalf of the Authority and for the benefit of the Bondholders, all rights of the Authority under any Financing Facility to which the Authority or the Trustee is a party, and notwithstanding anything to the contrary contained herein, the Authority shall have no obligation whatsoever to take any action to enforce the provisions of any such Financing Facility. In the event of the transfer, assignment or other conveyance of any Swap Agreement in accordance with its terms by the Swap Provider thereof or the substitution of a new Financing Facility Provider for any then existing Financing Facility Provider, the Trustee shall promptly notify the Authority and the Rating Agencies of the name and address of the new Financing Facility Provider and any modifications, amendments or supplements to the terms of the existing Financing Facility.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES OF BONDHOLDERS

SECTION 801. Events of Default.

1. 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 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.

2. 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.

3. 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 802. Accounting and Examination of Records After Default.

1. The Authority covenants that if an Event of Default shall have occurred and shall not have been remedied, the books of record and account of the Authority shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys.

2. The Authority covenants that if an Event of Default shall have occurred and shall have not have been remedied, the Authority, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Revenues and other moneys, securities and funds pledged or held under the Resolution for such period as shall be stated in such demand.

SECTION 803. Application of Pledged Property and Debt Service Reserve Fund After Default.

1. 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, and (b) all Revenues which are not paid directly to the Trustee as promptly as practicable after receipt thereof.

2. 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 this Article 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 attorney's 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 relate, and amounts which would otherwise be paid to the holders of such Bonds shall be paid to the applicable Financing Facility Provider.

3. During the continuance of an Event of Default and after application of the Pledged Property as provided in subsection 2 of this Section 803, 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 attorney's 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.

4. During the continuance of an Event of Default, but subject and subordinate to the amounts required to be paid pursuant to paragraphs 1 and 2 of this Section 803, and only after all amounts required to be paid pursuant to paragraphs 1 and 2 of this Section 803 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.

5. 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 804. Proceedings Brought by Trustee.

1. 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.

2. 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.

3. 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.

4. 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.

5. 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 805. Restrictions on Bondholder's Action.

1. 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 this Article, 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 attorney's 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 Section 702.

2. 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 806. Remedies Not Exclusive. No remedy by the terms of the Resolution

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conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or existing at law or in equity or by statute on or after the date of execution and delivery of the Resolution.

SECTION 807. Effect of Waiver and Other Circumstances.

1. No delay or omission of the Trustee or any Bondholder to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by this Article to the Trustee or to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

2. Prior to the declaration of maturity of the Bonds as provided in Section 801, the Holders of not less than a majority in principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Holders of all of the Bonds waive any past default under the Resolution and its consequences, except a default in the payment of interest on or principal of or premium (if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 808. Notice of Default. The Trustee shall promptly mail written notice of the occurrence of any Event of Default to each registered owner of Bonds then Outstanding at such registered owner's address, if any, appearing upon the registry books of the Authority and to each Financing Facility Provider.

SECTION 809. Rights of Financing Facility Providers. To the extent provided in the applicable Supplemental Resolution or Series Certificate, any rights granted to the holders of the Bonds pursuant to this Article VIII may, instead, be exercised on behalf of the Financing Facility Provider with respect to the Bonds to which such Financing Facility relates.

SECTION 810. Rights of Holders of Subordinated Debt. From and after the payment in full of the principal or Redemption Price of and interest on all Bonds issued and Outstanding under the Resolution and all Financing Facility Payment Obligations in respect of Financing Facilities which were issued on a parity with the Bonds pursuant to this Article VIII, any rights granted to the Holders of the Bonds and such Financing Facility Providers pursuant to this Article VIII may be exercised by the Holders of any Subordinated Debt then outstanding.

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ARTICLE IX

CONCERNING THE FIDUCIARIES

SECTION 901. Trustee; Appointment and Acceptance of Duties. The Authority shall appoint the Trustee in the Series Certificate to be executed in connection with the issuance of the first Series of Bonds to be issued under the Resolution. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution and such Supplemental Resolution or Series Certificate by executing and delivering to the Authority a written acceptance thereof, and by executing such acceptance the Trustee shall be deemed to have accepted such duties and obligations with respect to all Bonds issued under the Resolution, but only, however, upon the terms and conditions set forth in the Resolution and such Supplemental Resolution or Series Certificate.

SECTION 902. Paying Agents; Appointment and Acceptance of Duties.

1. The Authority shall appoint one or more Paying Agents for the Bonds of each Series, and may at any time or from time to time appoint one or more other Paying Agents. All Paying Agents appointed shall have the qualifications set forth in Section 913 for a successor Paying Agent. The Trustee may be appointed a Paying Agent.

2. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Authority and to the Trustee a written acceptance thereof.

3. Unless otherwise provided, the principal corporate trust offices of the Paying Agents are designated as the respective offices or agencies of the Authority for the payment of the interest on and principal or Redemption Price of the Bonds.

SECTION 903. Responsibilities of Fiduciaries.

1. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Resolution or of any Bonds issued thereunder or as to the security afforded by the Resolution, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid by such Fiduciary in accordance with the provisions of the Resolution to the Authority or any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of subsection 2 of this Section 903, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or default.

2. The Trustee, prior to the occurrence of an Event of Default and after the curing of all

Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Resolution. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by Resolution, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Any provision of the Resolution relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 903 and Section 904.

3. In the event that Bonds shall be issued which are not secured by the Debt Service Reserve Fund, the Trustee, in connection with the exercise of its discretionary rights or remedies upon the occurrence of an Event of Default as set forth under Article VIII of the Resolution, shall not incur any liability to any Bondholder, the Authority or any other person on account of the existence or alleged existence of any conflict between the interests of Holders of Reserve Fund Bonds, the Holders of Bonds in connection with which the Authority or the Trustee shall have entered into a or obtained a Financing Facility and the Holders of Bonds not so secured arising from the difference in their respective security interests resulting from the pledge under the Resolution of the Debt Service Reserve Fund as security only for the Reserve Fund Bonds or the availability of Financing Facility Revenues, as the case may be; provided that the Trustee shall not in any event be relieved of liability for its own negligent action, its own negligent failure to act or its own misconduct.

SECTION 904. Evidence on Which Fiduciaries May Act.

1. Each Fiduciary, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of the Resolution, shall examine such instrument to determine whether it conforms to the requirements of the Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Resolution in good faith and in accordance therewith.

2. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Authority, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

3. Except as otherwise expressly provided in the Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Authority to any Fiduciary shall be sufficiently executed in the name of the Authority when signed by an Authorized Officer of the Authority.

SECTION 905. Compensation.

1. The Authority shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under the Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including without limitation those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Resolution, in accordance with the agreements made from time to time between the Authority and the Fiduciary.

2. The Authority hereby agrees to the extent permitted by law to reimburse and hold harmless each Fiduciary from and against any and all claims, damages, losses, liabilities, costs or reasonable expenses whatsoever which such Fiduciary may incur in connection with the performance by such Fiduciary of its obligations under the Resolution; provided, however, that the Authority shall not be required to reimburse and hold harmless any Fiduciary for any claims, damages, losses, liabilities, costs or expenses caused in whole or in part by such Fiduciary's negligence, bad faith, breach of contract or misconduct arising out of or as a result of such Fiduciary's performing its obligations under the Resolution or undertaking any transaction contemplated by the Resolution; and further provided, that the foregoing is subject to the limitations of the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 et seq. and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq.

3. Each Fiduciary, by accepting its appointment as such under the Resolution, agrees that such Fiduciary (i) shall give the Authority prompt notice in writing of any actual or potential claim described above, and the institution of any suit or action; (ii) shall not adjust, settle or compromise any such claim, suit or action without the consent of the Authority; and (iii) shall permit the Authority, at the Authority's sole discretion, to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action.

4. While the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq. is not applicable by its terms to claims arising under contracts with the Authority, each Fiduciary, by accepting its appointment as such under the Resolution, agrees that such statute (except N.J.S.A. 59:13-9) shall be applicable to all claims against the Authority arising under this Section 905.

5. The indemnification provided in this Section 905 does not apply to or extend to any indemnification which may be given by any Fiduciary to any other person.

SECTION 906. Certain Permitted Acts. Any Fiduciary, individually or otherwise, may become the owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization arising out of the enforcement of the Bonds or the Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

SECTION 907. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties created by the Resolution by giving no less than ninety (90) days written notice to the Authority, and mailing notice thereof to the Holders of Bonds then Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the date specified in such notice unless (i) previously a successor shall have been appointed by the Authority or the Bondholders as provided in Section 909, in which event such resignation shall take effect immediately on the appointment of such successor, or (ii) a successor shall not have been appointed by the Authority or the Bondholders as provided in Section 909 on such date, in which event such resignation shall not take effect until a successor is appointed.

SECTION 908. Removal of the Trustee. The Trustee may be removed at any time with or without cause by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Authority. In addition, so long as no Event of Default, or an event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Trustee may be removed at any time with or without cause by a resolution of the Authority filed with the Trustee.

SECTION 909. Appointment of Successor Trustee.

1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor Trustee may be appointed by the Authority by a duly executed written instrument signed by an Authorized Officer of the Authority, but if the Authority does not appoint a successor Trustee within sixty (60) days then by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Authority and the predecessor Trustee. After such appointment of a successor Trustee, the Authority shall mail notice of any such appointment by it or the Bondholders to the registered owners of the Bonds then Outstanding.

2. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 120 days after the Trustee shall have given to the Authority written notice as provided in Section 907 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, removal, or for any other reason whatsoever, the Trustee (in the case of its resignation under Section 907) or the Holder of any Bond (in any case) may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

3. Any Trustee appointed under the provisions of this Section 909 in succession to the Trustee shall be a bank or trust company organized under the laws of any state or a national banking association and shall have capital stock, surplus and undivided earnings aggregating at least

\$50,000,000 if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

SECTION 910. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under the Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Authority or of the successor Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property, rights, interests and estates held by it under the Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deed, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

SECTION 911. Merger or Consolidation. Any company into which any Fiduciary 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 any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided 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 the Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

SECTION 912. Adoption of Authentication. In case any of the Bonds contemplated to be issued under the Resolution shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in the Resolution provided that the certificate of the Trustee shall have.

SECTION 913. Resignation or Removal of Paying Agent and Appointment of Successor.

1. Any Paying Agent may at any time resign and be discharged of the duties and

obligations created by the Resolution by giving at least sixty (60) days written notice to the Authority, the Trustee and the other Paying Agents. Any Paying Agent 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 Paying Agent shall be appointed by the Authority with the approval of the Trustee and shall 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 at least \$50,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

2. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

ARTICLE X

SUPPLEMENTAL RESOLUTIONS

SECTION 1001. Supplemental Resolutions Effective Upon Filing With the Trustee. 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 II, 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 hereunder 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 herein, 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.

SECTION 1002. Supplemental Resolutions Effective Upon Consent of Trustee. 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:

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(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.

SECTION 1003. Supplemental Resolutions Effective with Consent of Bondholders. At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by (a) Bondholders in accordance with and subject to the provisions of Article XI, and (b) any Financing Facility Provider the consent of which is required by the applicable Financing Facility, which Supplemental Resolution, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority and upon compliance with the provisions of said Article XI, shall become fully effective in accordance with its terms as provided in said Article XI.

SECTION 1004. General Provisions.

1. The Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article X and Article XI. Nothing contained in this Article X or Article XI shall affect or limit the right or obligation of the Authority to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 704 or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument which elsewhere in the Resolution it is provided shall be delivered to said Fiduciary.

2. Any Supplemental Resolution referred to and permitted or authorized by Sections 1001 and 1002 may be adopted by the Authority without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. The copy of every Supplemental Resolution when filed with the Trustee shall be accompanied by an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted 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.

3. The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by Section 1001, 1002 or 1003 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of Bond Counsel that such Supplemental Resolution is authorized or permitted by the provisions of the Resolution.

4. No Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

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ARTICLE XI

AMENDMENTS

SECTION 1101. Mailing. Any provision in this Article for the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed postage prepaid only (i) to each registered owner of Bonds then Outstanding at such registered owner's address, if any, appearing upon the registry books of the Authority, and (ii) to the Trustee.

SECTION 1102. Powers of Amendment. 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 Section 1103, 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 this Section. 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 this Section, 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.

SECTION 1103. Consent of Bondholders. The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 1102 to take effect when and as provided in this Section 1103. 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 Section 1103 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 Section 1102, (b) the written consent of any Financing Facility Provider the consent of which is required pursuant to the applicable Financing Facility and (c) an

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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 Section 1103 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, which proof shall be such as is permitted by Section 1202. 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 in accordance with Section 1202 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, anything in Section 1202 to the contrary notwithstanding, 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 Section 1103 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 in the manner permitted by Section 1202 hereof. 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 Section 1103, 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 Section 1103 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 Section 1103 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.

SECTION 1104. Modifications by Unanimous Consent. The terms and provisions of the Resolution and the rights and obligations of the Authority and of the Holders of the Bonds

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thereunder may be modified or amended in any respect upon the adoption and filing by the Authority of a Supplemental Resolution and the consent of (a) the Holders of all of the Bonds then Outstanding, and (b) any Financing Facility Provider the consent of which is required by the applicable Financing Facility, such consents to be given as provided in Section 1103 except that no notice to Bondholders shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Bondholders.

SECTION 1105. Exclusion of Bonds. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article XI, and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the Authority shall furnish the Trustee a certificate of an Authorized Officer of the Authority, upon which the Trustee may rely, describing all Bonds so to be excluded.

SECTION 1106. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in Article X or this Article XI provided may, and, if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the principal corporate trust office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Authority to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds.

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ARTICLE XII

MISCELLANEOUS

SECTION 1201. Defeasance.

1. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds and Subordinated Debt, if any, 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 Subordinated Debt, if any, and in the Resolution, then the pledge of the Pledged Property, Debt Service Reserve Fund, any Revenues, and other moneys and securities pledged under the Resolution and all covenants, agreements and other obligations of the Authority to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Authority to be prepared and filed with the Authority and, upon the request of the Authority, shall execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Authority the Pledged Property and the Debt Service Reserve Fund, including all moneys or securities held by them pursuant to the Resolution which are not required for the payment of principal or Redemption Price, if applicable, and interest on Bonds not theretofore surrendered for such payment or redemption. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Outstanding Bonds of a particular Series, or of a particular maturity or particular Bonds within a maturity within a Series, the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution, such Bonds shall cease to be entitled to any lien, benefit or security under the Resolution, and all covenants, agreements and obligations of the Authority to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

2. 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 subsection 1 of this Section. Subject to the provisions of subsection 3 through subsection 6 of this Section, 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 subsection 1 of this Section 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 as provided in Article IV 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 (including moneys withdrawn and deposited pursuant to subsection 4 of Section 506 and subsection 4 of Section 507) 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 in accordance with this Section 1201 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of subsection 6 of this Section 1201, 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 pursuant to this Section 1201 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 in accordance with this Section 1201 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 in accordance with this Section 1201 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 in accordance with Section 1201 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 in accordance with this Section 1201 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 in accordance with this Section 1201. 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 in accordance with this Section 1201 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 in accordance with this Section 1201 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 as provided in this Section 1201 the total amount of moneys and Federal Securities remaining on deposit with the Trustee under this Section 1201 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 subsection 2 of Section 1201, 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 this Resolution. Except as otherwise provided in this subsection 2 of Section 1201 and in subsection 3 through subsection 6 of this Section 1201, 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 this Section, 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 subsection 5 of this Section 1201, Federal Securities which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

3. 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 subsection 2 of this Section 1201, 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 subsection 2 of this Section 1201, 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.

4. Federal Securities described in clause (C) of subsection 2 of Section 1201 may be

included in the Federal Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 1201 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 in accordance with subsection 2 of Section 1201, the principal and Redemption Price, if applicable, and interest on the Bonds which will be deemed to have been paid as provided in subsection 2 of Section 1201 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.

5. In the event that after compliance with the provisions of subsection 4 of Section 1201, the Federal Securities described in clause (C) of subsection 2 of Section 1201 are included in the Federal Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 1201 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 subsection 6 of Section 1201, shall at all times be sufficient to satisfy the requirements of clause (b) of subsection 2 of Section 1201, shall reinvest the proceeds of such redemption in Federal Securities.

6. 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 in accordance with this Section 1201 upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption.

7. Option Bonds shall be deemed to have been paid in accordance with the second sentence of subsection 2 of this Section 1201 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 (including moneys withdrawn and deposited pursuant to subsection 4 of Section 506 and subsection 4 of 507) 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 subsection 2 of this Section, 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 subsection. 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.

8. Related Swap Bonds and the Authority's Swap Payment Obligations under the applicable Swap Agreements shall be deemed to have been paid for purposes of Section 1201 above if (a) there shall have been deposited with the Trustee moneys and Federal Securities of the type described in Section 1201(2) 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 Section 1201(8) 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 pursuant to this Section 1201, during the term of any Swap Agreement for which the Related Swap Bonds have been defeased, the Trustee shall, subject to the foregoing provisions of this Section 1201, hold and apply (i) the Federal Securities deposited with it pursuant to this Section as provided in Section 505, and (ii) all payments from the Swap Provider under the applicable Swap Agreement as Swap Revenues pursuant to Section 506. 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.

9. 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 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 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 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.

10. 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 1202. Evidence of Signatures of Bondholders and Ownership of Bonds.

1. Any request, consent, revocation of consent or other instrument which the Resolution may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of any instrument appointing any such attorney, or (ii) the holding by any person of the Bonds shall be sufficient for any purpose of the Resolution (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(1) The fact and date of the execution by any Bondholder or such Bondholder's attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him or her the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature, guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

(2) The amount of Bonds transferable by delivery held by any person executing any instrument as a Bondholder, the date of such person's holding such Bonds, and the numbers and other identification thereof, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Trustee, executed by the Trustee or by a member of a financial firm or by an officer of a bank, trust company, insurance company, or financial corporation or other depository wherever situated, showing at the date therein mentioned that such person exhibited to such member or officer or had on deposit with such depository the

Bonds described in such certificate. Such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or depository with respect to Bonds owned by it, if acceptable to the Trustee. In addition to the foregoing provisions, the Trustee may from time to time make such reasonable regulations as it may deem advisable permitting other proof of holding of Bonds transferable by delivery.

2. The ownership of Bonds registered otherwise than to bearer and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

3. Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Authority or any Fiduciary in accordance therewith.

SECTION 1203. Moneys Held for Particular Bonds. The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

SECTION 1204. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of the Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, any other Fiduciary, and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

SECTION 1205. Parties Interested Herein. Nothing in the Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Authority, the Fiduciaries, the Holders of the Bonds, any Financing Facility Providers and the holders of any Subordinated Debt, any right, remedy or claim under or by reason of the Resolution or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in the Resolution contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Fiduciaries, the Holders of the Bonds, any Financing Facility Provider and the holders of any Subordinated Debt.

SECTION 1206. No Recourse on the Bonds. No recourse shall be had for the payment of the principal of or interest on the Bonds, the Financing Facility Payment Obligations or the principal of or interest on any Subordinated Debt for any claim based thereon or on the Resolution against any member or officer of the Authority or any person executing the Bonds, any Financing Facility or any instrument evidencing Subordinated Debt.

SECTION 1207. Publication of Notice; Suspension of Publication.

1. Any publication to be made under the provisions of the Resolution in successive weeks or on successive weeks or on successive dates may be made, in each instance upon any business day of the week and need not be made in the same Authorized Newspaper for any or all of

the successive publications but may be made in a different Authorized Newspaper.

2. If, because of the temporary or permanent suspension of the publication or general circulation of any Authorized Newspaper or for any other reason, it is impossible or impractical to publish any notice pursuant to the Resolution in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

SECTION 1208. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in the Resolution on the part of the Authority or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of the Resolution.

SECTION 1209. Holidays. Except with respect to the computation of a Record Date, if the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Resolution, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Trustee or the operational office of the Authority are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in the Resolution, and no interest shall accrue for the period after such nominal date.

SECTION 1210. Compound Interest Bonds; Compound Interest and Income Bonds. For the purposes of (i) receiving payment of the Redemption Price if a Compound Interest Bond or Compound Interest and Income Bond is redeemed prior to maturity, or (ii) receiving payment of a Compound Interest Bond or Compound Interest and Income Bond if the principal of all Bonds is declared immediately due and payable following an Event of Default, as provided in Section 801 of the Resolution, or (iii) computing the principal amount of Bonds held by the registered owner of a Compound Interest Bond or Compound Interest and Income Bond in giving to the Authority or the Trustee any notice, consent, request or demand pursuant to the Resolution for any purpose whatsoever, or (iv) determining whether any Compound Interest Bond or Compound Interest and Income Bond has been paid or deemed to have been paid pursuant to Section 1201 of the Resolution, the principal amount of a Compound Interest Bond or Compound Interest and Income Bond shall be deemed to be its Accreted Value or Appreciated Value, respectively.

ARTICLE XIII

BOND FORM AND EFFECTIVE DATE

SECTION 1301. Form of Bonds, Trustee's Certificate of Authentication. Subject to the provisions of the Resolution, the form of Bonds of each Series and the Trustee's Certificate of Authentication shall be substantially the following tenor with such variations, omissions and

insertions as are required or permitted by the Resolution:

[FORM OF FRONT SIDE OF FULLY REGISTERED BOND]

UNITED STATES OF AMERICA
STATE OF NEW JERSEY

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

TRANSPORTATION SYSTEM BONDS _____ SERIES _____

No. R-					
Interest	Maturity	Dated	Authentication	CUSIP	
Rate	%	Date	Date	Date	

Registered Owner:

Principal Sum: _____ Dollars

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY, (the "Authority"), a public body corporate and politic and an instrumentality of the State of New Jersey created and existing under the laws of the State of New Jersey, 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 bond at the principal corporate trust office of _____, or _____ (such banks and any successors thereto being herein called the "Paying Agents"), 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 _____ and _____, in each year, commencing _____, 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 (or if such day shall not be a Business Day, the preceding Business Day) next preceding such interest payment date on the books of the Authority maintained by the Bond Registrar.

The terms and provisions of this bond and definitions of certain terms used herein may be continued on the reverse side of this bond and such continued terms and provisions and definitions shall for all purposes have the same effect as though fully set forth on the front of this bond.

[The following material should be printed on the reverse
of the Bond Form]

This bond is one of a duly authorized series of bonds of the Authority designated "Transportation System Bonds, _____ Series _____" (herein called the "_____ Series _____ Bonds"), in the aggregate principal amount of \$_____, issued under and in full compliance with the Constitution and Statutes of the State of New Jersey, and particularly Chapter 73 of the Laws of New Jersey, 1984 as amended and supplemented (herein called the "Act"), and under and pursuant to a Resolution adopted by the Authority on _____, 1995 entitled "1995 Transportation System Bond Resolution" and a supplemental resolution of the Authority authorizing the _____ Series _____ Bonds [and a Series Certificate duly executed by an Authorized Officer of the Authority on _____] (said Resolution as supplemented [and together with said Series Certificate] being herein called the "Resolution").

As provided in the Resolution, the _____ Series _____ Bonds, and all other bonds issued under the Resolution on a parity with the _____ 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 created under the Act are subject to and dependent upon appropriations being made from time to time by the New Jersey State Legislature. Copies of the Resolution are on file at the office of the Authority 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 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 bond if moneys or certain specified securities shall have been deposited with the Trustee.

[HERE INSERT APPLICABLE PROVISIONS RELATED TO ANY FINANCING FACILITY.]

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 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 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 amounts, 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 _____ Series _____ Bonds are subject to redemption prior to maturity, upon mailed notice as hereinafter provided, (i) by operation of the Debt Service Fund established under the Resolution to satisfy sinking fund installments, on any interest payment date on and after _____ 1, _____, at the principal amount thereof together with accrued interest to the redemption date, and (ii) otherwise, as a whole at any time, or in part on any interest payment date in inverse order of maturities, on or after _____ 1, _____, at the respective redemption prices (expressed as percentages of the principal amount of the bonds or portions thereof to be redeemed) set forth below, in each case together with accrued interest to the redemption date:

Redemption

Redemption

Dates

Prices

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 _____ Series _____ Bonds are payable upon redemption at the above mentioned offices of the Paying Agents. 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 bonds or portions of 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 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 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 bonds or portions thereof so called for redemption shall cease to accrue and be payable. Failure of the registered owner of any bonds which are to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of bonds.

THE PRINCIPAL, PREMIUM, IF ANY, AND INTEREST ON THE _____ 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, IS OBLIGATED TO PAY THE PRINCIPAL, PREMIUM, IF ANY, OR INTEREST ON THIS 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 IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR THE ISSUE OF WHICH IT IS ONE.

[End of material for reverse side of Bond Form]

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 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 of New Jersey, including, particularly, the Act.

This bond shall not be entitled to any benefit under the Resolution or be valid or become

obligatory for any purpose until this bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

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IN WITNESS WHEREOF, NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY, has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairperson, Vice President 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.

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 BONDS]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the _____ Series _____ Bonds delivered pursuant to the within mentioned Resolution.

Trustee,

By: _____
Authorized Officer

SECTION 1302. Effective Date: This Resolution shall take effect immediately upon its adoption in accordance with the Act.

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