

**PROCEEDINGS OF NEW JERSEY TURNPIKE AUTHORITY
SPECIAL MEETING
TUESDAY, APRIL 8, 2008**

Chairman Kolluri called the Authority into session in the Executive Boardroom of the Authority's Administration Offices, Woodbridge, New Jersey, at 8:38 A.M.

PRESENT

Chairman Kris Kolluri; Commissioner Harold Hodes; Commissioner David Evans; and Commissioner Raymond Pocino (all participating via teleconference); and Treasurer Michael DuPont.

Executive Director Michael Lapolla; Deputy Executive Director/Secretary Diane Scaccetti; Chief Engineer Richard Raczynski; Finance Director Benjamin Hayllar; and Assistant Secretary Rose Stanko.

Also present were: General Counsel John Kelly; Co-General Counsel Jeff Kramer; General Consultant Art Linfante; Patricia Snyder, NJDOT Policy & Authority Coordination; Sonia Frontera, Governor's Authorities Unit; and Financial Advisor Dennis Enright.

NOTICE OF MEETING

This is a special meeting of the New Jersey Turnpike Authority. Adequate notice of this meeting has been provided in accordance with Chapter 231, P.L. 1975 in that notice has been given to two newspapers and notice has been forwarded to the Secretary of State, Trenton, New Jersey. In addition, notice of said meeting has been and is being displayed in the main lobby of the Authority's Administration Headquarters in Woodbridge.

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RECUSALS

The Secretary reported that no advisements of recusal have been submitted.

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At this juncture, it was determined that a separate Executive Session was not required and Chairman Kolluri opened the floor for comment pertaining to the public item being presented for Board approval. There was no response.

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The Members of the Authority then moved on the following matter being considered:

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69-08

Executive Director Lapolla presented the recommendation contained in his memorandum dated April 8, 2008 concerning **Authorization to Adopt the Subordinated Turnpike Revenue Bond Anticipation Note Resolution** - an Issuance of Subordinated Notes to Refund Series 2003 D Bonds.

Pursuant to the authorization granted at the Commission meeting on March 11, 2008 with respect to restructuring the Turnpike Authority's auction rate securities, the Staff, after consultation with the Authority's Financial Advisor, NW Financial Services, and General Counsel, recommends that the Authority authorize the issuance of short-term notes (the "Notes") to refund

and redeem the Authority's outstanding \$175,000,000 Series 2003 D-3, D-4, D-7 and D-8 auction rate bonds as soon as possible.

The Notes will be issued in an aggregate principal amount of not exceeding \$335,000,000 will mature one (1) year after their date of issuance and will bear interest at a rate of not exceeding 3.75%. The proceeds of the Notes will be used for the purposes of redeeming and retiring the Series 2003 D-3, D-4, D-7 and D-8 Bonds, funding the \$150,000,000 of new money construction costs authorized at the March 11, 2008 meeting, and paying the costs of issuance of the Notes and other related costs of restructuring the Authority's auction rate securities. The Notes will be payable from and secured by amounts on deposit in the Authority's General Reserve Fund, subject and subordinate in all respects to the payment of the Authority's outstanding Revenue Bonds and all other payments required under the Authority's Bond Resolution. The Notes will be issued pursuant to the Subordinated Turnpike Revenue Bond Anticipation Note Resolution (the "Subordinated Resolution"). Any details of the Notes which are not otherwise determined in the Subordinated Resolution will be determined by the Executive Director pursuant to a delegation contained in such Resolution. The Subordinated Resolution appoints NW Financial Services to serve as financial advisor, and Wilentz, Goldman & Spitzer, to serve as Bond Counsel/General Counsel, in connection with the issuance of the Notes.

Therefore, recommendation is made to adopt the Subordinated Resolution.

At this juncture, Chairman Kolluri called upon Financial Advisor Enright regarding action on the \$225 Million remaining Auction Rate Bonds. In his explanation, Mr. Enright advised that the action needed will be a subject in a future Commission Meeting.

At this time, Bond Counsel/General Counsel Kelly spoke of two corrections, in Section 201 and Section 202, clarifying the Subordinated Resolution being requested today. .

On motion by Commissioner DuPont, seconded by Commissioner Hodes, the Authority unanimously approved the recommendation; authorized Issuance of Subordinated Notes to Refund Series 2003 D Bonds, funding the \$150,000,000 of new money construction costs, as presented; received and filed the memoranda; and unanimously adopted, as amended, the following **Resolution 69-08:**

**NEW JERSEY TURNPIKE AUTHORITY
SUBORDINATED TURNPIKE REVENUE BOND
ANTICIPATION NOTE RESOLUTION**

WHEREAS, the New Jersey Turnpike Authority (the "Authority"), a public body corporate and politic of the State of New Jersey, organized pursuant to the New Jersey Turnpike Authority Act of 1948, constituting Chapter 454 of the Laws of 1948 of the State of New Jersey, as amended and supplemented (the "Act"), has adopted and there is in effect a resolution entitled Turnpike Revenue Bond Resolution, initially adopted by the Authority on August 20, 1991, as amended and restated as of the date of this Resolution (the "General Bond Resolution"), pursuant to which the Authority has issued and there are outstanding several series of senior lien debt obligations (herein collectively, the "Senior Lien Bonds"); and

WHEREAS, the Authority has determined to undertake a financing, the purpose of which is to (a) currently refund in entirety, the Authority's \$175,000,000 aggregate outstanding principal amount of Turnpike Revenue Bonds, Series 2003 D-3, D-4, D-7 and D-8 issued under the General Bond Resolution, and (b) to interim fund certain improvements to the Turnpike System (as such term is defined in the General Bond Resolution) (collectively, the "2008 Project"); and

WHEREAS, the Authority intends by this Resolution, for the purposes herein set forth, including the funding of the 2008 Project, to authorize pursuant to this Resolution, the issuance of “Subordinated Indebtedness” as defined in the General Bond Resolution, which Subordinated Indebtedness shall be designated as the Authority’s “Subordinated Turnpike Revenue Bond Anticipation Notes, Series 2008” (the “Subordinated Notes”); and

WHEREAS, as provided in this Resolution, the Authority intends that the Subordinated Notes be subject and subordinate to all outstanding Senior Lien Bonds, in accordance with the terms and provisions of the General Bond Resolution; and

BE IT RESOLVED by the Members of the New Jersey Turnpike Authority as follows:

**ARTICLE I
AUTHORITY AND DEFINITIONS**

SECTION 101. Authority for Resolution. This Resolution is adopted pursuant to the provisions of the Act and Sections 512 and 707 of the General Bond Resolution.

SECTION 102. Resolution a Contract. As set forth in Section 8 of the Act, the provisions of this Resolution and all of the covenants and agreements herein contained shall constitute valid and legally binding contracts between the Authority, on the one hand, and the Holders of the Subordinated Notes, on the other hand, and shall be enforceable by the Trustee under this Resolution on behalf of the holders of the Subordinated Notes in the manner and to the extent herein provided.

SECTION 103. Definitions.

(a) Capitalized terms used but not defined in this Resolution shall have the meanings given to such terms in the General Bond Resolution. In addition, in this Resolution, the following terms shall have the meanings set forth below:

“**Act**” shall mean the New Jersey Turnpike Authority Act of 1948, constituting Chapter 454 of the Laws of 1948 of the State of New Jersey, as amended and supplemented.

“**Authority**” shall mean the New Jersey Turnpike Authority, a public body corporate and politic of the State of New Jersey, organized pursuant to Act.

“**Authorized Officer**” shall mean the Chairman, the Executive Director, the Deputy Executive Director, the Director of Finance and Budgets and the Director of Law of the Authority, and, when used with reference to the performance of any act, the discharge of any duty or the execution of any certificate or other documents, any officer employee or other person authorized to perform such act, discharge such duty or execute such certificate or other document.

“**Bond Counsel**” shall mean any attorney or firm of attorneys nationally recognized in the field of municipal finance and designated to act as bond counsel to the Authority.

“**Bond Trustee**” shall mean the each of the Trustees under the General Bond Resolution.

“**Business Day**” shall mean any day other than (a) a Saturday, Sunday or a day on which banks located in the City of New York, or in the States of New York or New Jersey, are required or authorized by law or executive order to close, and (b) a day on which the New York Stock Exchange is closed.

“**Certificate of Determination**” shall mean a Certificate of Determination with respect to the Subordinated Notes executed by an Authorized Officer pursuant to Section 201 hereof.

“**Construction Fund**” shall mean the fund so designated and established pursuant to Section 303.

“**Default**” shall mean a Default specified in Section 701(a) hereof.

“**General Bond Resolution**” shall mean a resolution entitled “Turnpike Revenue Bond Resolution,” initially adopted by the Authority on August 20, 1991, as amended and restated as of the date of this Resolution.

“**General Reserve Fund**” shall mean the fund so designated and established pursuant to Section 502 of the General Bond Resolution.

“**Holder**” or “**Holders**” shall mean the holder or holders, from time to time, of the Subordinated Notes.

“Insurance Policy” shall mean any municipal bond insurance policy, if any, issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Subordinated Notes when due, as more particularly set forth in the Certificate of Determination, which Insurance Policy shall be a Credit Facility.

“Insurer” shall mean the issuer of the Insurance Policy, if any, named in the Certificate of Determination.

“Obligations” shall mean the obligations of the Authority to pay (a) the principal of and interest on the Subordinated Notes, (b) the purchase price in respect of the Subordinated Notes, and (c) any reimbursement obligations of the Authority under the Insurance Policy, if any.

“Outstanding” shall mean, as of any date, Subordinated Notes theretofore or thereupon being authenticated and delivered under this Resolution except (i) Subordinated Notes canceled by the Trustee at or prior to such date; (ii) Subordinated Notes for the payment of which moneys, equal to the principal amount thereof and interest thereon to the date of maturity or redemption, shall be held under the Resolution and set aside for such payment (whether at or prior to the maturity or redemption date); (iii) Subordinated Notes in lieu of or in substitution for which other Subordinated Notes shall have been authenticated and delivered pursuant to Article II of this Resolution; and (iv) Subordinated Notes which have been defeased.

“Payment Date” shall mean the date on which the Subordinated Notes become due and payable, whether at maturity or upon redemption or, subject to Section 703, acceleration prior to maturity.

“Pledged Property” shall mean (i) all amounts from time to time on deposit in the Construction Fund, the Subordinated Note Payment Fund and the General Reserve Fund, and (ii) such portion of the proceeds of any Restructuring Debt Obligations as shall be sufficient to provide for the defeasance of all Subordinated Notes.

“Refunded Bonds” shall mean the Authority's \$175,000,000 aggregate outstanding principal amount of Turnpike Revenue Bonds, Series 2003 D-3, D-4, D-7 and D-8 issued under the General Bond Resolution.

“Refunded Bonds Payment Fund” shall mean the so designated and established pursuant to Section 304 hereof.

“Resolution” shall mean this Subordinated Turnpike Revenue Bond Anticipation Note Resolution, as adopted by the Authority on April 8, 2008 and (i) as modified by the Executive Director of the Authority at or prior to the issuance of the Subordinated Notes pursuant to Section 102 hereof and (ii) as supplemented pursuant to the Certificate of Determination executed by an Authorized Officer at or prior to the issuance of the Subordinated Notes pursuant to Section 201 hereof.

“Restructuring Debt Obligations” shall mean any bonds, notes or other obligations hereafter issued by the Authority or any successor to the Authority for the purpose of refunding, rescheduling, restructuring or consolidating the debt or other obligations of the Authority or such successor, including providing for the payment of the Subordinated Notes.

“Rule 15c2-12” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

“Subordinated Note Payment Fund” shall mean the fund so designated and established pursuant to Section 302 hereof.

“Subordinated Indebtedness” shall mean indebtedness issued pursuant to and in compliance with the provisions of Sections 512 and 707 of the General Bond Resolution.

“Trustee” shall mean the Trustee to be appointed pursuant to Section 801 hereof and any other entity which may at any time be substituted in its place pursuant to this Resolution.

(b) 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 individuals, firms, associations, corporations, governmental bodies and all other entities.

ARTICLE II AUTHORIZATION OF SUBORDINATED NOTES

SECTION 201. Authorization of Subordinated Notes. Pursuant to the provisions of the Act and Sections 512 and 707 of the General Bond Resolution, the Authority hereby authorizes, approves and directs the issuance of the Subordinated Notes in the maximum aggregate principal amount of \$335,000,000. The Subordinated Notes shall be dated and mature on the dates set forth in, and shall bear interest at the rate per annum set forth in, a Certificate of Determination. The maximum term of the Subordinated Notes shall be twelve (12) months and the maximum interest rate on the Subordinated Notes shall be 3.75%. The Notes shall be sold, issued and delivered pursuant to a

sealed public bid process as shall be set forth in a Certificate of Determination, which certificate shall set forth the form of "notice of sale" and "bidding form" for the Subordinated Notes. The Subordinated Notes may be initially issued in book-entry-only form through The Depository Trust Company in accordance with the requirements of any Certificate of Determination relating thereto.

Pursuant to the provisions of the Act, the General Bond Resolution, and this Resolution, as applicable, the Authority hereby further authorizes, approves and directs the issuance of additional debt obligations of the Authority, the purpose of which shall be to fund all principal of and interest on the Subordinated Notes when due at their maturity. The terms, structure, lien status and method of sale of such additional debt obligations shall be determined pursuant to the terms of a Certificate of Determination executed in connection with the issuance of such obligations; provided that the term of such obligations shall not exceed 40 years and the interest rate on such obligations shall not exceed seven percent (7%). Such additional obligations are authorized to be Senior Lien Bonds to be issued under the General Bond Resolution or Subordinated Indebtedness to be issued pursuant to the General Bond Resolution and this Resolution, all as shall be set forth in the applicable Certificate of Determination.

SECTION 202. Purpose. The Authority shall issue the Subordinated Notes for the purpose of (a) purchasing and/or currently refunding the Refunded Bonds in whole or in part, (b) interim funding certain improvements to the Turnpike System, (c) funding capitalized interest on a portion of the Subordinated Notes, (d) paying the costs of issuance of the Subordinated Notes, and (e) paying all or a portion of the costs incurred by the Authority in connection with the conversion of the interest rate on the Authority's Turnpike Revenue Bonds, Series 2003 D-1, D-2, D-5, D-6 and D-9 to another interest rate mode.

SECTION 203. Provisions for Issuance of the Subordinated Notes. All (but not less than all) of the Subordinated Notes shall be executed by the Authority for issuance under this Resolution and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the Authority or upon its order to the purchaser of the Subordinated Notes, but only upon the receipt by the Trustee of:

1. A copy of the General Bond Resolution and this Resolution, certified by an Authorized Officer.
2. An opinion of Bond Counsel to the effect that (i) the Authority has the right and power to adopt this Resolution, and this 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 this Resolution is required; (ii) this Resolution creates the valid pledge which it purports to create of the Pledged Property, subject and subordinate to the pledge thereof, as applicable, under the General Bond Resolution and subject to the provisions of the General Bond Resolution directing and permitting the application thereof pursuant to Section 512(a) of the General Bond Resolution and on the terms and conditions set forth in the General Bond Resolution; (iii) the Subordinated Notes constitute Subordinated Indebtedness and are valid and binding obligations of the Authority as provided in this Resolution enforceable against the Authority in accordance with their terms and the terms of this Resolution; (iv) the Subordinated Notes are entitled to the benefits of this Resolution, and (v) the Subordinated Notes have been duly and validly authorized and issued, all in accordance with law, including the Act as amended to the date of such opinion, and in accordance with this Resolution, provided that such opinion may take exceptions, as to the enforceability of the Subordinated Notes and this Resolution, for bankruptcy and similar events and proceedings and for laws, judicial decisions and principles of equity affecting creditors' rights generally and judicial discretion.
3. The Insurance Policy, if any.
4. An executed counterpart of each Certificate of Determination.
5. A written order from an Authorized Officer directing the Trustee to authenticate and deliver the Subordinated Notes to the purchaser thereof against receipt of the purchase price for the Subordinated Notes.
6. Evidence of compliance with all requirements of the Act and the General Bond Resolution pertaining to the issuance of the Subordinated Indebtedness evidenced by the Subordinated Notes.
7. Such further documents as may be required by counsel or Bond Counsel to the Authority.

SECTION 204. Determination in Accordance with Section 512 of the General Bond Resolution. Pursuant to 512 of the General Bond Resolution, the Authority hereby finds and determines that the issuance of the Subordinated Notes will not impair the financial viability of the Authority and its operations.

SECTION 205. Medium of Payment; Form and Date; Letters and Numbers; Interest.

(a) The Subordinated Notes shall be designated as, and shall be distinguished from other debt obligations issued by the Authority by the title, "Subordinated Turnpike Revenue Notes, Series 2008." The Subordinated Notes shall be issued in fully registered form in denominations of \$5,000 or any integral multiple of \$1,000 in excess thereof. Unless the Authority shall otherwise direct, the Subordinated Notes shall be lettered and numbered from one upward preceded by the letter "R" prefixed to the number. Subject to the provisions of this Resolution, the form of the Subordinated Notes and the Trustee's certificate of authentication thereon shall be substantially in the form set forth in Exhibit A hereto.

(b) The Subordinated Notes shall be payable as to principal and interest in any coin or currency which at the time of payment is legal tender for the payment of public and private debts upon presentation and surrender of the Subordinated Notes at the office of the Trustee, as paying agent.

SECTION 206. Execution and Authentication.

(a) The Subordinated Notes shall be executed in the name of the Authority by the manual or facsimile signature of the Chairman of the Authority and its official seal shall be impressed or reproduced thereon and attested by the manual or facsimile signature of its Secretary and Treasurer, or by such other officer or agent as the Authority shall appoint and authorize. In case the person serving in any such capacity ceases to hold such office before any Subordinated Notes signed by such person shall have been delivered, such Subordinated Notes may nevertheless be delivered as provided in this Resolution and may be issued as if the person who signed such Subordinated Notes had not ceased to hold such office.

(b) The Subordinated Notes shall be countersigned for authentication by the manual signature of a duly authorized officer of the Trustee, as paying agent for the Subordinated Notes. Only such Subordinated Notes as shall have been countersigned for authentication shall be entitled to any right or benefit under this Resolution, and no Subordinated Note shall be valid or obligatory for any purpose until such Subordinated Note shall have been duly countersigned for authentication by the Trustee. Such manual signature of a duly authorized officer of the Trustee upon any Subordinated Note executed by the Chairman of the Authority shall be conclusive evidence that the Subordinated Note so countersigned for authentication has been duly authenticated and delivered under this Resolution and that the Holder thereof is entitled to the benefits of this Resolution.

SECTION 207. Negotiability, Exchange, Transfer and Registry.

(a) The Subordinated Notes shall be transferable only upon the books of the Authority, which shall be kept for such purposes at the office of the Trustee, as registrar and paying agent for the Subordinated Notes, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such registered Subordinated Note, the Trustee shall issue in the name of the transferee a new Subordinated Note or Subordinated Notes of the same aggregate principal amount as the surrendered Subordinated Note or Subordinated Notes.

(b) The registered Owner of any Subordinated Note or Subordinated Notes shall have the right to exchange such Subordinated Note or Subordinated Notes for a new Subordinated Note or Subordinated Notes of any authorized denomination of the same aggregate principal amount as the surrendered Subordinated Note or Subordinated Notes. Such Subordinated Note or Subordinated Notes shall be exchanged by the Trustee for a new Subordinated Note or Subordinated Notes upon the request of the registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender of such Subordinated Note or Subordinated Notes together with a written instrument requesting such exchange satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney.

(c) The Authority and the Trustee may deem and treat the person in whose name any Subordinated Note shall be registered upon the books of the Authority as the absolute owner of such Subordinated Note, whether such Subordinated Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or redemption price of and interest on such Subordinated Note and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Subordinated Note to the extent of the sum or sums so paid, and the Authority or the Trustee shall not be affected by any notice to the contrary.

SECTION 208. Regulations With Respect to Exchange and Transfers. In all cases in which the privilege of exchanging or transferring Subordinated Notes is exercised, the Trustee shall execute and deliver Subordinated Notes in accordance with the provisions of this Resolution. All Subordinated Notes surrendered in any such exchanges or transfers shall be forthwith canceled by the Trustee.

SECTION 209. Subordinated Notes Mutilated, Destroyed, Stolen or Lost. If any Subordinated Note becomes mutilated or is lost, stolen or destroyed, the Trustee may execute and deliver a new Subordinated Note of like principal amount, as the Subordinated Note so mutilated, lost, stolen or destroyed, provided that (i) in the case of any such mutilated Subordinated Note, such Subordinated Note is first surrendered to the Trustee, (ii) in the case of any such lost, stolen or destroyed Subordinated Note, there is first furnished evidence of such loss, theft or destruction satisfactory to the Trustee together with indemnity satisfactory to the Trustee, (iii) all other reasonable requirements of the Trustee are complied with, and (iv) expenses in connection with such transaction are paid by the Holder of any such Subordinated Notes. Any such Subordinated Note surrendered for transfer shall be canceled by the Trustee. Any such Subordinated Note issued pursuant to this Section in substitution for Subordinated Notes alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, whether or not the Subordinated Notes 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 Subordinated Notes issued under this Resolution.

SECTION 210. Redemption of Subordinated Notes.

1. The Subordinated Notes shall be subject to optional redemption prior to maturity on terms as may be set forth in a Certificate of Determination.

2. Notice of the call for redemption, identifying the Subordinated Notes to be redeemed, shall be given by the Trustee by mailing a copy of the redemption notice by registered or certified mail at least thirty (30) days prior to the date fixed for redemption to the Holder of each Subordinated Note to be redeemed at the address shown on the registration books. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice.

3. Notice having been given in the manner provided in this Section 210, the Subordinated Notes shall become due and payable on the redemption date so designated at the applicable 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 Subordinated Notes shall be paid at the redemption price, plus interest accrued and unpaid to the redemption date. If, on the redemption date, moneys for the redemption of all the Subordinated Notes, together with interest to the redemption date, shall be held by the Trustee 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 Subordinated Notes shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Subordinated Notes shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

4. All Subordinated Notes which have been redeemed shall be canceled and destroyed by the Trustee, which shall file a Certificate of Destruction with the Authority.

**ARTICLE III
PLEDGE EFFECTED BY THE RESOLUTION;
FUNDS AND ACCOUNTS**

SECTION 301. Pledge Effected by the Resolution.

(a) The Subordinated Notes shall be special and limited obligations of the Authority payable solely from the Pledged Property. There is hereby pledged for the payment of the principal and redemption price of, and interest on, the Subordinated Notes in accordance with their terms and the provisions of this Resolution, subject only to the provisions of the General Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the General Bond Resolution, the Pledged Property. The pledge and lien created hereby shall additionally secure on a parity with the Subordinated Notes the Authority's reimbursement obligations with respect to any credit facility, if any, authorized pursuant to a Certificate of Determination. The Pledged Property shall immediately be subject to the lien of this pledge without any physical delivery or further act, and the lien of this pledge shall be valid and binding and against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof.

(b) The Subordinated Notes shall constitute Subordinated Indebtedness authorized under Section 512 of the General Bond Resolution. All Debt Service (as defined in the General Bond Resolution) must be paid before any further payment of principal of or interest on the Subordinated Notes, if any of the following events occur: (i) an event of default under the General Bond Resolution resulting from the non-payment of Debt Service (until cured); (ii) an event of default under the General Bond Resolution with respect to Senior Lien Bonds resulting in acceleration of principal installments and interest on Senior Lien Bonds; (iii) the principal and interest of Variable Rate Debt, Commercial Paper (as such terms are defined in the General Bond Resolution), or Subordinated Indebtedness (other than the Subordinated Notes) is accelerated; (iv) the Authority becomes insolvent; or (v) early termination of a Qualified Swap (as defined in the General Bond Resolution). Any event of default with respect to the Subordinated Notes shall not in itself create the right to declare an event of default with respect to the Senior Lien bonds.

THE OBLIGATIONS OF THE AUTHORITY UNDER THE SUBORDINATED NOTES ARE PAYABLE SOLELY FROM THE PLEDGED PROPERTY AS CONTAINED IN THIS RESOLUTION, AND NEITHER THE STATE OF NEW JERSEY NOR ANY INSTRUMENTALITY THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH HEREIN), IS OBLIGATED TO PAY THE OBLIGATIONS OF THE AUTHORITY UNDER THE SUBORDINATED NOTES, 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 OBLIGATIONS OF THE AUTHORITY UNDER THE SUBORDINATED NOTES. THE AUTHORITY HAS NO TAXING POWER.

SECTION 302. Subordinated Note Payment Fund. There is hereby established with the Trustee a trust fund designated "Subordinated Note Payment Fund." On or before each date on which any Obligations of the Authority under the Subordinated Notes shall be payable (whether as scheduled, by acceleration or otherwise, the Authority shall pay or cause to be paid to the Trustee, for deposit to the Subordinated Note Payment Fund, an amount equal to the principal or redemption price of and interest on the Subordinated Notes coming due on such payment date. The Authority shall withdraw funds from the General Reserve Fund at such times and in such amounts as shall be necessary to comply with the immediately preceding sentence. Moneys held by the Trustee in the Subordinated Note Payment Fund shall be applied by the Trustee to pay the principal or redemption price of and interest on the Subordinated Notes. The Trustee shall maintain a record of the income on investments and interest earned on amounts held in the Subordinated Note Payment Fund.

SECTION 303. Construction Fund. There is hereby established a fund designated "Construction Fund" to be held by the Trustee. A portion of the proceeds of the Subordinated Notes in an amount to be determined by a Certificate of Determination shall be deposited by the Trustee in the Construction Fund. Amounts on deposit in the Construction Fund may be applied by the Authority at any time and from time to time to (i) pay for improvements to the Turnpike System, (ii) pay costs of issuance of the Subordinated Notes, and (iii) pay all or a portion of the costs incurred by the Authority in connection with the conversion of the interest rate on the Authority's Turnpike Revenue Bonds, Series 2003 D-1, D-2, D-5, D-6 and D-9 to another interest rate mode.

SECTION 304. Refunded Bonds Payment Fund. There is hereby established with the Trustee a trust fund designated "Refunded Bonds Payment Fund." As directed by the Authority, amounts on deposit in the Refunded Bonds Payment Fund may be utilized by the Authority or the Trustee, on behalf of the Authority, to purchase all or a portion of the Refunded Bonds. Additionally, on the Business Day immediately prior to the redemption date of any Refunded Bonds, the Trustee shall withdraw from the Refunded Bonds Payment Fund and pay, or cause to be paid, to the Bond Trustee the amounts necessary to pay the redemption price of any Refunded Bonds, plus accrued interest thereon, coming due on such redemption date. The Trustee shall maintain a record of the income on investments and interest earned on amounts held in the Refunded Bonds Payment Fund.

SECTION 305. Covenant Against Liens, Encumbrances, Etc. Other than the lien and pledge established hereby, the Authority shall neither create nor permit to exist any lien, charge or encumbrance upon the Subordinated Note Payment Fund.

SECTION 306. Investment of Funds.

(a) Moneys in the Subordinated Note Payment Fund, the Construction Fund and the Refunded Bonds Payment Fund shall be invested and reinvested by the Trustee, at the written direction of an Authorized Officer, or by the Authority, as the case may be, in Investment Securities (as defined in the General Bond Resolution).

(b) Investments pursuant to this Section of moneys in the Subordinated Note Payment Fund, the Construction Fund and the Refunded Bonds Payment Fund shall mature or be redeemable at the direction of the Authority at the times and in the amounts necessary to provide moneys to make the payments required from each such Fund in accordance with, and at the times required by, this Resolution and a Certificate of Determination. The Trustee or the Authority, as the case may be, shall sell or redeem investments credited to each Fund to produce sufficient moneys available hereunder at the times required hereunder for the purposes set forth herein, and shall do so without necessity for any order by or on behalf of the Authority and without restriction by reason of any order.

(c) Any investment of moneys in any Fund established under this Resolution may be purchased from or through, or sold to, the Trustee or any affiliate of the Trustee, and any such investment made through the purchase of shares in any fund described in the definition of Investment Securities may be in a fund which is advised or administered by the Trustee or any affiliate of the Trustee (for which services the Trustee or such affiliate, as the case may be, may receive a fee).

(d) An investment made from moneys credited to the Subordinated Note Payment Fund, the Construction Fund and the Refunded Bonds Payment Fund shall constitute part of that respective Fund, and each respective Fund shall be credited with all proceeds of sale and income from investment of moneys credited thereto. For purposes of this Resolution, all investments shall be valued at cost or market value, whichever is less.

ARTICLE IV DEFEASANCE

SECTION 401. Defeasance of Subordinated Notes.

(a) If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Subordinated Notes the principal or redemption price and interest due or to become due thereon, at the times and in the manner stipulated in the Subordinated Notes and in this Resolution, then the pledge of the amounts on deposit in the General Reserve Fund and all covenants, agreements and other obligations of the Authority to the Holders shall thereupon cease, terminate and become void and be discharged and satisfied.

(b) Subordinated Notes for the payment of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit by the Authority of funds for such payment 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 (a) of this Section. Any outstanding Subordinated Notes 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 (a) of this Section if there shall have been deposited with the Trustee therefor either moneys in an amount which shall be sufficient or Investment Securities (including any Investment Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal or redemption price of and the interest on which when due and without reinvestment thereof 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 and interest due on said Subordinated Notes on or prior to the maturity or redemption date thereof. Neither Investment Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Investment 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 of and interest on said Subordinated Notes, provided that any cash received from such principal or interest payments on such Investment Securities deposited with the Trustee which will not be required at any time for such purpose, as evidenced by a verification report issued by a firm of certified public accountants or financial advisors shall be paid to the Authority, free and clear of any trust, lien or pledge securing said Subordinated Notes or otherwise existing under this Resolution. To the extent such cash will be required for such purpose at a later date, such cash shall, to the extent practicable, be reinvested in Investment Securities maturing at times and in amounts sufficient to pay when due the principal or redemption price of and interest to become due on said Subordinated Notes on the maturity or redemption date thereof, and interest earned from such reinvestment shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing said Subordinated Notes or otherwise existing under this Resolution.

SECTION 402. Payment to the Authority. Upon payment or provision for the payment of the Subordinated Notes as provided in Section 401, the Trustee shall pay over or deliver to the Authority all moneys or securities held by it pursuant to this Resolution which are not required for the payment of principal or redemption price of or interest on Subordinated Notes not theretofore surrendered for such payment.

ARTICLE V ADDITIONAL DETERMINATIONS AND PROCEEDINGS

SECTION 501. Sale of Subordinated Notes. It is intended that the sale of the Subordinated Notes shall be exempt from the requirements of Rule 15c2-12 pursuant to Section (d)(1)(i) thereof.

SECTION 502. Additional Proceedings. As additional proceedings of the Authority in connection with the execution and delivery of the Subordinated Notes, there is hereby delegated to any Authorized Officer the power to take the following actions and make the following determinations by Certificate of Determination signed by such Authorized Officer:

1. To determine the method of public bidding for the purchase of the Subordinated Notes, including the determination of the forms of the applicable notice of sale and bidding forms. To execute and deliver the Subordinated Notes.

2. To determine or modify, subject to any limitations contained in this Resolution, the interest rate or rates or the method of determining the interest rate or rate, conversion privileges, maturity date or dates, redemption and tender provisions and the denomination or denominations of the Subordinated Notes and any other provisions deemed advisable by such Authorized Officer not in conflict with or in substitution for the provisions of this Resolution.

3. To determine the application of the proceeds of the Subordinated Notes for the purposes stated in Section 202 of this Resolution.

4. To acknowledge receipt of prior approval letters of the Governor and the Treasurer as required by Section 3(F) of the Act approving the adoption by the Authority of this Resolution and the issuance of the Subordinated Notes.

5. To execute and/or deliver an Official Statement for the Subordinated Notes to the purchasers thereof, in such form as such Authorized Officer shall approve, and the execution of the Official Statement by an Authorized Officer shall constitute conclusive evidence of the approval thereof.

6. To purchase the Insurance Policy from the Insurer, as and if applicable, in accordance with the proposal submitted to the Authority or on such other terms as such Authorized Officer shall approve, to include in the Certificate of Determination such provisions with respect to the Insurance Policy as shall be requested by the Insurer and reasonably acceptable to an Authorized Officer and to include on the form of any Subordinated Note which is insured by the Insurance Policy a statement of insurance in the form requested by the Insurer.

7. To enter into an Escrow Deposit Agreement, if applicable, with respect to the Refunded Bonds to be defeased with proceeds of the Subordinated Notes, in such form as such Authorized Officer shall approve, and the execution of an Escrow Deposit Agreement by an Authorized Officer shall constitute conclusive evidence of the approval thereof.

8. To select a Trustee, which may be one of the Bond Trustees, for the Subordinated Notes.

9. To make such other determinations, to execute such other documents, instruments and papers and to do such acts and things as may be necessary or advisable in connection with the execution, delivery and performance of the Subordinated Notes and are not inconsistent with the provisions of this Resolution.

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

ARTICLE VI COVENANTS OF THE AUTHORITY

SECTION 601. Payment of Obligations. The Authority shall duly and punctually pay or cause to be paid, from the Pledged Property, all of the Obligations of the Authority under the Subordinated Notes in full, on the dates and at the place and in the manner set forth herein and in the Subordinated Notes, and shall duly and punctually perform all of its other obligations hereunder and thereunder.

SECTION 602. General Reserve Fund. The Authority shall provide sufficient moneys in the General Reserve Fund to pay all of the Obligations of the Authority under the Subordinated Notes when and as due, including interest thereon. The Authority shall take such budgetary action as may be necessary to comply with the immediately preceding sentence. Other than the liens and pledges thereon established by the General Bond Resolution and this Resolution, the Authority shall neither create nor permit to exist any lien, charge or encumbrance upon the General Reserve Fund.

SECTION 603. Additional Indebtedness. The Authority shall not, without the prior written consent of the Holders of a majority in aggregate principal amount of the Subordinated Notes, issue any Senior Lien Bonds, Variable Rate Debt, Commercial Paper or Subordinated Indebtedness, or incur any other indebtedness or loan obligations secured by or payable from the Pledged Property unless and until the Subordinated Notes are paid or deemed paid in accordance with Section 401 of this Resolution. The Authority shall not issue any Restructuring Debt Obligations unless the Subordinated Notes are paid or deemed paid within the meaning of Section 401(b) of this Resolution on or prior to the date of, or in connection with, the issuance of such Restructuring Debt Obligations.

SECTION 604. General Bond Resolution. The Authority shall not, without the prior written consent of the Holders of a majority in aggregate principal amount of the Subordinated Notes, amend the General Bond Resolution in any way which would adversely affect the Subordinated Noteholders in any material respect or cause it to be discharged.

ARTICLE VII DEFAULTS AND REMEDIES

SECTION 701. Defaults. Each of the following shall be a Default hereunder:

(i) failure to pay any principal or redemption price of, or interest on the Subordinated Notes when due; or

(ii) the default by the Authority in the performance of its obligations under Sections 603, 604 or 605 hereof; or

(iii) the default by the Authority in the performance of any of its obligations under this Resolution (except as set forth in (i) and (ii) above) and the failure to cure same within sixty (60) days after written notice thereof shall have been received by an Authorized Officer from the Trustee or the Holders of at least 10% in aggregate principal amount of the Subordinated Notes; or

(iv) failure to pay any principal or redemption price of or interest on any Notes or other indebtedness of the Authority when due; or

(v) the occurrence of an Event of Default under the General Bond Resolution.

SECTION 702. Remedies.

(a) If any Default occurs and is continuing, the Trustee may and, at the written direction of the Holders of a majority in principal amount of the Subordinated Notes then Outstanding, shall, by notice in writing to the Authority declare the principal of all Subordinated Notes then Outstanding to be immediately due and payable, and upon such declaration the said principal together with interest accrued thereon, shall become due and payable immediately at the place of payment provided therein; provided, however, that no such declaration shall be made if the Authority cures such Default prior to the date of the declaration.

(b) If any Default has occurred and is continuing, the Trustee in its discretion may, and upon the written request of the Holders of a majority in principal amount of the Subordinated Notes then Outstanding and receipt of indemnity to its satisfaction shall, in its own name, by any action, writ, proceeding in lieu of prerogative writ, the compelling of specific performance, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders and to require the Authority to carry out all other agreements with, or for the benefit of, the Holders and to perform its duties hereunder.

(c) No remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

SECTION 703. Limitations on Remedies. Notwithstanding any other provisions contained in this Resolution, all Debt Service must be paid before any further payment of principal or interest on the Subordinated Notes if any of the following events occur: (i) an event of default under the General Bond Resolution resulting from the non-payment of Debt Service (until cured); (ii) an event of default under the General Bond Resolution with respect to the Senior Lien Bonds resulting in acceleration of principal installments and interest on the Senior Lien; (iii) the principal and interest of Variable Rate Debt, Commercial Paper, or Subordinated Indebtedness (other than the Subordinated Notes) is accelerated; (iv) the Authority becomes insolvent; or (v) early termination of a Qualified Swap. Any event of default with respect to the Subordinated Notes shall not in itself create the right to declare an event of default with respect to the Notes.

ARTICLE VIII THE TRUSTEE

SECTION 801. Appointment; Terms of Appointment. The Trustee shall be appointed and designated by an Authorized Officer by Certificate of Determination prior to the initial issuance of the Subordinated Notes.

(a) The Trustee, prior to the occurrence of a Default and after the curing and waiving of all Defaults which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Resolution. In case a Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Resolution, and use the same degree of care and skill in the exercise of such rights and powers as an ordinary, prudent person would exercise or use in the conduct of his or her own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, but shall not be answerable for the conduct of any attorneys, agents or receivers if appointed with due care, and shall be entitled to advice of counsel concerning its duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Authority) selected by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting

from any action or inaction taken or not taken, as the case may be, in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein or in the Subordinated Notes (except with respect to the certificate of authentication endorsed on the Subordinated Notes), or for insuring any Project, or for collecting any insurance moneys, or for the validity of the execution by the Authority of this Resolution or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Subordinated Notes issued hereunder or intended to be secured hereby, or for the value or title of any Project or any lien waivers with respect to any Project.

(d) The Trustee shall not be accountable for the use of the Subordinated Notes authenticated or delivered hereunder. The Trustee may become a Holder with the same rights which it would have if not the Trustee hereunder.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Resolution upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is a Holder shall be conclusive and binding upon all future Holders of the Subordinated Notes and any Subordinated Notes issued in exchange therefor or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely conclusively upon a certificate signed by an Authorized Officer as sufficient evidence of the facts therein contained and prior to the occurrence of a Default of which the Trustee has been notified as provided in Section 801(h) hereof, or of which by said Section the Trustee is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive right of the Trustee to do things enumerated in this Resolution shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful default.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Default hereunder (except for failure to make any payments under the Subordinated Notes) unless the Trustee shall be specifically notified in writing of such Default by the Authority or the Holders of at least twenty-five percent (25%) in aggregate principal amount of the Subordinated Notes outstanding, and all notices or other instruments required by this Resolution to be delivered to the Trustee, must, in order to be effective, be delivered at the principal office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Default except as aforesaid.

(i) At any and all reasonable times the Trustee and the Holders, and their respective duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect all books and records of the Authority pertaining to the Subordinated Notes, and to make such copies and memoranda from and with regard thereto as may be desired.

(j) The Trustee shall not be required to give any Notes or surety in respect of the execution of this Resolution or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Resolution with respect to the authentication of the Subordinated Notes, the withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Resolution, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, deemed desirable by the Trustee for the purpose of establishing the right of the Authority to the authentication of the Subordinated Notes, the withdrawal of any cash or the taking of any other action.

(l) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Resolution at the request or direction of any of the Holders of the Subordinated Notes pursuant to this Resolution unless such Holders of the Subordinated Notes, as the case may be, shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(m) No provision of this Resolution shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(n) The Authority hereby agrees to the extent permitted by law to reimburse and hold harmless the Trustee from and against any and all claims, damages, losses, liabilities, costs or reasonable expenses whatsoever which the Trustee may incur in connection with the performance by the Trustee of its obligations under this 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 the Trustee's negligence, bad faith, breach of contract or misconduct arising out of or as a result of the Trustee'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.

SECTION 802. Fees, Charges and Expenses. The Trustee shall be entitled to reasonable fees for its services rendered hereunder and reimbursement of all advances, counsel fees and expenses and other expenses reasonably made or incurred by the Trustee in connection with such services. So long as no Default shall have occurred, the Trustee shall be compensated in accordance with its fee proposal submitted to the Authority.

SECTION 803. Intervention by Trustee. In any judicial proceeding which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of the Holders, the Trustee may intervene on behalf of the Holders and shall do so if requested in writing by the Holders of at least fifty percent (50%) in aggregate principal amount of the outstanding Subordinated Notes, and indemnified to its satisfaction.

SECTION 804. Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder and vested with all of the title to the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 805. Resignation and Removal.

(a) The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving thirty (30) days notice to the Authority and the Holders. Such resignation shall not take effect until the appointment of a successor Trustee or temporary Trustee.

(b) The Trustee may be removed at any time with or without cause by an instrument or concurrent instruments in writing delivered to the Trustee and to the Authority and signed by the Holders of a majority in aggregate principal amount of the outstanding Subordinated Notes. In addition, so long as no Default, or an event which, with notice or passage of time, or both, would become a 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 806. Appointment of Successor Trustee. 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, 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 Subordinated Notes then outstanding, excluding any Subordinated Notes held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such Holders 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 Holders to the registered owners of the Subordinated Notes then outstanding.

SECTION 807. Acceptance of Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its or his predecessor and also to the Authority an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but its predecessor shall, nevertheless, on the written request of the Authority, or of its successor, and upon payment of its fees and expenses, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Authority be reasonably required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority.

**ARTICLE IX
SUPPLEMENTAL RESOLUTIONS**

SECTION 901. Supplemental Resolutions Effective Without Consent of Subordinated Noteholders. This Resolution may be modified as determined by an Authorized Officer subsequent to the date of its adoption and prior to the date of issuance of the Subordinated Notes as may be necessary or appropriate to reflect the actual provisions hereof that shall apply to the Subordinated Notes; provided, however, that the maximum principal amount, final maturity and maximum interest rate prescribed by Section 201 shall not be so modified. The following provisions of this Section 901 and the provisions of Sections 902 and 903 shall become effective at such time as the Subordinated Notes are issued and become Outstanding hereunder. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted by the Authority without the consent of the Holders which shall be fully effective in accordance with its terms:

(a) To close this Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in this Resolution on, the authentication and delivery of Subordinated Notes;

(b) To add to the covenants and agreements of the Authority in this Resolution, other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(c) To add to the limitations and restrictions in this Resolution other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(d) To confirm, as further assurance, any pledge or lien created or to be created by this Resolution and to pledge any additional revenues, moneys or securities as security for the payment of the principal or redemption price of and interest on the Subordinated Notes, when due; and

(e) To cure any ambiguity or defect or inconsistent provision in this Resolution or to insert such provisions clarifying matters or questions arising under this Resolution as are necessary or desirable if any such modifications are not contrary to or inconsistent with this Resolution as theretofore in effect, all as may be approved by such Authorized Officer, with the advice of counsel and Bond Counsel.

SECTION 902. Supplemental Resolutions Effective with Consent of Subordinated Noteholders. At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by the Holders in accordance with and subject to the provisions of Article X, which Supplemental Resolution, upon compliance with the provisions of said Article X, shall become fully effective in accordance with its terms as provided in said Article X.

SECTION 903. General Provisions.

(a) This 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 IX and Article X.

(b) Every Supplemental Resolution 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 this Resolution, is authorized or permitted by this Resolution and is valid and binding upon the Authority and is enforceable in accordance with its terms.

**ARTICLE X
AMENDMENTS**

SECTION 1001. Mailing. Any provision in this Article for the mailing of a notice or other paper to Holders shall be fully complied with if it is mailed postage prepaid to each registered owner of Subordinated Notes then outstanding at his address, if any, appearing upon the registration books of the Subordinated Note registrar.

SECTION 1002. Power of Amendment. Except as otherwise provided by Section 901, any modification or amendment of this Resolution and of the rights and obligations of the Authority and of the Holders of the Subordinated Notes hereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in Section 1003 of this Resolution of the Holders of at least a majority in principal amount of the Subordinated Notes Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Subordinated Note or of interest thereon or a reduction in the principal amount thereof or in the rate of interest thereon without the consent of the Holder of such Subordinated Note, or shall reduce the percentages or otherwise affect the classes of Subordinated Notes the consent of the Holders of which is required to effect any such modification or amendment.

SECTION 1003. Consent of Subordinated Noteholders. The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 1002 to take effect when and as provided in this Section 1003. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto), together with a request to Holders for their consent thereto, shall be mailed by the Authority to Holders (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section 1003 provided). Such Supplemental Resolution shall not be effective unless and until (i) there shall have been received by the Authority (a) the written consents of Holders of the percentages of Outstanding Subordinated Notes specified in Section 1002 and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted by the Authority in accordance with the provisions of this Resolution, is authorized or permitted by this Resolution and is valid and binding upon the Authority and is enforceable in accordance with its terms, and (ii) a notice shall have been given, as hereinafter in this Section 1003 provided. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Subordinated Notes with respect to which such consent is given. Any such consent shall be binding upon the Owner of the Subordinated Notes giving such consent and upon any subsequent Holder of such Subordinated Notes and of any Subordinated Notes issued in exchange therefor (whether or not such subsequent Owner thereof has notice thereof) unless such consent is revoked in writing by the Holder of such Subordinated Notes giving such consent or a subsequent Holder thereof by filing with the Authority, prior to the time when the notice of the Authority hereinafter in this Section 1003 provided for is mailed, such revocation. At any time after the Holders of the required percentages of Subordinated Notes shall have filed their consents to the Supplemental Resolution, 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 Authority) has been consented to by the Holders of the required percentages of Subordinated Notes and will be effective as provided in this Section 1003, may be given to Holders by the Authority by mailing such notice to Holders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 1003 provided). Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority and the Holders of all Subordinated Notes at the expiration of seven days after 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 seven-day period; provided, however, that the Authority during such seven-day period and any such further period during which any such action or proceeding may be pending shall be entitled in its absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as it may deem expedient.

SECTION 1004. Modifications by Unanimous Consent. Except as otherwise provided by Section 901, the terms and provisions of this Resolution and the rights and obligations of the Authority and the Holders of the Subordinated Notes hereunder may be modified or amended in any respect upon the adoption by the Authority of a Supplemental Resolution and the consent of the Holders of all of the Subordinated Notes then Outstanding, such consent to be given as provided in Section 1003 except that no notice to Holders shall be required.

SECTION 1005. Exclusion of Subordinated Notes. Subordinated Notes 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 Subordinated Notes provided for in this Article X, and the Authority shall not be entitled with respect to such Subordinated Notes to give any consent or take any other action provided for in this Article.

ARTICLE XI MISCELLANEOUS

SECTION 1101. Appointment of Financial Advisor and Bond Counsel for Issuance of Subordinated Notes. In accordance with Executive Order No. 26 (Whitman 1994), and the Authority's current Statement of Policy of the New Jersey Turnpike Authority for Compliance with Executive Order No. 26, and in connection with the issuance of the Subordinated Notes, NW Capital Markets Inc. is hereby appointed as Financial Advisor (the "Financial Advisor") to the Authority and Wilentz, Goldmann & Spitzer, P.A. is hereby appointed as Bond Counsel ("Bond Counsel") in connection with the issuance of the Subordinated Notes. Both the Financial Advisor and the Bond Counsel have been previously selected as financial advisor and general counsel to the Authority in connection with prior Authority proposal processes, and each firm has been directly involved in every debt financing undertaken by the Authority since January 2002, including the issuance of the Refunded Bonds by the Authority in 2003. Due to the current volatile auction bond market conditions (which have resulted in unanticipated increases in the Authority's auction bond interest rates on the Refunded Bonds) and the need to accomplish the refunding of the Refunded Bonds (which bonds are auction bonds) as soon as possible, the Authority has determined that the most expeditious and timely course of action to accomplish such refunding is to immediately proceed with the Financial Advisor and Bond Counsel due to their unique extensive past and current experience in Authority debt financing matters, including the issuance of the Refunded Bonds and the financial plan approved by the Authority for the restructuring of its auction rate securities.

SECTION 1102. Parties Interested. Nothing contained in this Resolution, express or implied, is intended or shall be construed to confer upon or give to any person, firm or corporation, other than the Authority, the Trustee and the Holders from time to time of the Subordinated Notes any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof; and the covenants, stipulations and agreements in this Resolution contained are and shall be for the sole and exclusive benefit of the Authority, the Trustee and the Holders from time to time of the Subordinated Notes and their respective successors and assigns.

SECTION 1103. No Personal Recourse. No covenant or agreement contained in this Resolution or in the Subordinated Notes shall be deemed to be the covenant or agreement of any member, officer, agent or employee of the Authority in his or her individual capacity. No recourse shall be had for the payment of the principal of or interest on or purchase price of the Obligations of the Authority under the Subordinated Notes, or for any claim based thereon or on this Resolution against the Authority or any member, officer, agent or employee, past, present or future of the Authority, or of any successor corporation, as such, either directly or through the Authority or any such successor corporation, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability of such members, officers, agents or employees being released as a condition of and as material consideration for the adoption by the Authority of this Resolution and the issuance of the Subordinated Notes.

SECTION 1104. Successors and Assigns. All the covenants, promises and agreements in this Resolution contained by or on behalf of the Authority shall bind and inure to the benefit of their respective successors and assigns, whether or not so expressed.

SECTION 1105. Effect of Invalid Provisions. If any one or more of the provisions of this Resolution shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Resolution, but this Resolution shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

SECTION 1106. Notices. Any notice to, or other instrument to be filed with, or demand upon the Authority shall be deemed to have been sufficiently given or served, presented or made by being hand-delivered or sent by confirmed fax, registered or certified United States mail or overnight courier service addressed to the Authority as follows: New Jersey Turnpike Authority, P.O. 5042, Woodbridge, New Jersey 07095-5042, Attention: Executive Director, or at such other address as may be filed in writing by the Authority with the Trustee. Notices to the Trustee shall be given as set forth above to such address as shall be filed in writing by the Trustee with the Authority.

SECTION 1107. Descriptive Headings. The descriptive headings of the Articles and Sections of this Resolution are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 1108. Governing Law. This Resolution and the Subordinated Notes shall be governed by the laws of the State of New Jersey.

SECTION 1109. Effective Date. This Resolution shall take effect at the earliest time specified in Section 3(F) of the Act.

EXHIBIT A

(FORM OF SUBORDINATED BOND ANTICIPATION NOTE)

NEW JERSEY TURNPIKE AUTHORITY
SUBORDINATED TURNPIKE REVENUE BOND ANTICIPATION NOTE
SERIES 2008

No. R-

| <u>Interest Rate</u> | <u>Dated Date</u> | <u>Maturity Date</u> | <u>CUSIP</u> |
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PRINCIPAL AMOUNT:

REGISTERED OWNER:

The NEW JERSEY TURNPIKE AUTHORITY (the "Authority"), a body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey, acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner of this Subordinated Bond Anticipation Note ("Subordinated Note"), on the maturity date hereof in accordance with the terms hereof and of the within mentioned Resolution, but only from the revenues, moneys and funds pledged under the Resolution, upon surrender hereof, the Principal Amount set forth above, and to pay interest on the Principal Amount set forth above as hereinafter provided. The Principal Amount hereof, together with all interest accrued thereon, is

payable on the Maturity Date, but only to the extent that moneys are available therefor under the Resolution on the Maturity Date.

Interest shall accrue on the Principal Amount from the Dated Date set forth above until and including the Maturity Date set forth above at the Interest Rate set forth above. Interest shall be computed on the basis of the actual number of days elapsed over a 360-day year.

The Principal Amount and interest so payable and punctually paid or provided for on the Maturity Date will be paid, upon surrender hereof, at the corporate trust office of the Trustee under the Resolution hereinafter mentioned to the person in whose name this Subordinated Note is registered ("Registered Owner") on the Subordinated Note register maintained by the Trustee on behalf of the Authority ("Subordinated Note Register"). Principal of and interest on this Subordinated Note shall be payable in any coin or currency of the United States of America which at the time of payment thereof is legal tender for the payment of public and private debts therein.

This Subordinated Note is one of a duly authorized issue of Subordinated Indebtedness of the Authority designated as "Subordinated Turnpike Revenue Bond Anticipation Notes, Series 2008" (the "Subordinated Notes"), in the aggregate principal amount of \$_____ issued pursuant to the New Jersey Turnpike Authority Act of 1948, constituting Chapter 454 of the Laws of 1948 of the State of New Jersey, as amended and supplemented (the "Act"), and under and pursuant to a resolution of the Authority adopted on April 8, 2008 entitled "Subordinated Turnpike Revenue Bond Anticipation Note Resolution" (the "Resolution"). As provided in the Resolution, the principal of and interest on the Subordinated Notes are payable solely from and secured by, the Pledged Property (as defined in the Resolution). Copies of the Resolution are on file at the office of the Authority and at the corporate trust office of _____, in _____, New Jersey, as Trustee under the Resolution, or its successor as Trustee (the "Trustee").

Reference is hereby made to the Resolution for descriptions of the sources of payment for the Subordinated Notes, the nature, extent and manner of enforcement of remedies, the terms and conditions under which the Resolution may be amended or modified, the rights and limitations thereon of the Registered Owners of the Subordinated Notes and of the Trustee, and the terms and conditions under which the Subordinated Notes are issued and to all of the terms of the other financing documents in respect of the Subordinated Notes as listed in the Closing Agenda in respect of the Subordinated Notes filed with the Trustee, and of the Act, reference to each of which is hereby made. True copies of the Act and the Resolution and the other such financing documents are on file and available for inspection at the principal corporate trust office of the Trustee. All capitalized terms used but not defined in this Subordinated Note shall have the meanings given to them in the Resolution. The Act and the Resolution are incorporated herein by reference as if set forth in full. By acceptance of this Subordinated Note, each registered owner hereof shall be deemed to assent to all of the provisions thereof as an explicit and material portion of the consideration running to the Authority to induce it to adopt the Resolution and issue this Subordinated Note.

The Subordinated Notes are not subject to redemption prior to maturity.

The Subordinated Notes shall be subordinate in all respects to the provisions of the General Bond Resolution and the lien and pledge created by the General Bond Resolution in favor of the Bonds.

This Subordinated Note is fully registered in the name of the Registered Owner on the Subordinated Note Register kept at the principal corporate trust office of the Trustee, as Registrar appointed under the Resolution, such registration to be Subordinated Note hereon by the Trustee on behalf of the Authority. No transfer shall be valid as against the Authority or the Trustee unless made by the Registered Owner in person or by his duly authorized attorney or legal representative and similarly Subordinated Note upon the Subordinated Note Register and hereon. Upon any such transfer or exchange, the Authority shall issue and, after due authentication by the Trustee, shall deliver to or upon the order of the Registered Owner, a new registered Subordinated Note or Subordinated Notes, in authorized denominations aggregating the Principal Amount hereof, maturing on the same date, bearing interest at the same rate, bearing the same series designation as this Subordinated Note and registered in such names as shall be requested. Such transfers and exchanges shall be without cost to Registered Owners of the Subordinated Notes, but such Registered Owners shall be required to pay any taxes or assessments levied or imposed thereon.

The Authority and the Trustee may treat the person in whose name this Subordinated Note is registered as the absolute owner of this Subordinated Note for all purposes whether or not this Subordinated Note shall be overdue, and neither the Authority nor the Trustee shall be affected by any notice to the contrary. All payments of the principal and interest made to the Registered Owner hereof in the manner set forth herein and in the Resolution shall be valid and effectual to satisfy and discharge the liability upon this Subordinated Note to the extent of the sum or sums so paid, whether or not notation of the same be made hereon, and any consent, waiver or action taken by such Registered Owner pursuant to the provisions of the Resolution shall be conclusive and binding upon such Registered Owner, his heirs, successors and assigns, and

upon all transferees hereof, whether or not notation thereof be made hereon or on any Subordinated Note issued in exchange herefor.

No recourse shall be had for the payment of the Principal of or interest on or Purchase price of this Subordinated Note, or for any claim based hereon or on the Resolution or any resolution supplemental thereto, against any member, officer or employee, past, present or future, of the Authority, or of any successor corporation, as such, either directly or through the Authority or any such successor corporation, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability of such members, officers or employees being released as a specific condition of and as material consideration for the adoption of the Resolution and the issuance of the Subordinated Notes.

THIS SUBORDINATED NOTE SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY OR BE OR CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE STATE OF NEW JERSEY NOR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON OR PURCHASE PRICE OF THIS SUBORDINATED NOTE 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 OR REDEMPTION PRICE OF OR INTEREST ON OR PURCHASE PRICE OF THIS SUBORDINATED NOTE. THIS SUBORDINATED NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY OUT OF THE REVENUES OR OTHER RECEIPTS, FUNDS OR MONEYS OF THE AUTHORITY PLEDGED UNDER THE RESOLUTION AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE RESOLUTION FOR THE PAYMENT OF THE SUBORDINATED NOTES. THE AUTHORITY HAS NO TAXING POWER.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Subordinated Note, exist, have happened and have been performed, and that the issuance of this Subordinated Note is within every debt and other limit prescribed by the laws of the State of New Jersey.

This Subordinated Note shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Subordinated Note shall have been authenticated by the execution by the Trustee of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, NEW JERSEY TURNPIKE AUTHORITY has caused this Subordinated Note to be executed in its name and on its behalf by the signature of its Chairman and its official seal to be impressed or reproduced hereon and attested by the signatures of its Secretary and Treasurer, all as of the Dated Date set forth above.

NEW JERSEY TURNPIKE AUTHORITY

By: _____ Chairman

ATTEST:

By: _____
, Secretary

By: _____
, Treasurer

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)
TRUSTEE'S AUTHENTICATION CERTIFICATE

This Subordinated Note is one of the Subordinated Notes delivered pursuant to the within mentioned Resolution and is one of the series of such Subordinated Notes designated "Subordinated Turnpike Revenue Bond Anticipation Notes, Series 2008."

_____, as Trustee

By: _____, Authorized Officer

Date of Authentication: _____

FORM OF ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Subordinated Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer the said Subordinated Note on the Subordinated Note Register, with full power of substitution in the premises.

Dated: __

Signature guaranteed: __

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Subordinated Note in every particular without alteration or any change whatever. Signature must be guaranteed by a member firm of the New York Stock Exchange or by a commercial bank or trust company.

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The motion to adjourn was made by Commissioner DuPont, seconded by Commissioner Pocino and, after the voice vote, the motion was duly adopted. The Authority adjourned at 8:52 A.M., to meet on Wednesday, April 16, 2008, at 9:30 A.M.

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The Assistant Secretary acknowledges receipt of the following documents for file:

COMMUNICATIONS:

Two Letters: each dated April 7, 2008, from New Jersey Governor Jon Corzine and the NJ State Treasurer – approving the adoption by the NJTA of its Resolution (69-08): Subordinated Turnpike Revenue Bond Anticipation Note Resolution – as being immediately in full force and effect; in accordance with authorization contained in the New Jersey Turnpike Authority Act of 1948, Chapter 454, NJ Laws of 1948 (N.J.S.A. 27:23-3(F)).

Rose Stanko
Assistant Secretary

APPROVED:

Kris Kolluri, Chairman and NJ Department of Transportation Commissioner

Michael R. DuPont, Treasurer

Harold L. Hodes, Commissioner

David G. Evans, Commissioner

Raymond M. Pocino, Commissioner

Clive S. Cummis, Commissioner (ABSENT)

