2005 REFUNDING BONDS RESOLUTION

WHEREAS, the Delaware River Port Authority ("Authority") has heretofore entered into an Interest Rate Swap and Option Agreement dated as of May 2, 2001 ("1995 Bonds Swaption"), with UBS AG ("Swap Provider") relating to the Authority’s Revenue Bonds, Series of 1995 ("1995 Bonds"), which were issued pursuant to an Indenture of Trust, dated as of November 15, 1995, by and between Wachovia Bank, N.A., successor trustee to First Fidelity Bank, National Association ("1995 Trustee"), and the Authority ("1995 Indenture"); and

WHEREAS, the 1995 Bonds Swaption contains an option ("Option"), exercisable on January 1, 2006, provided notice of exercise is given not less than 120 days prior to such exercise date, to require that the Authority and the Swap Provider, effective January 1, 2006 ("Effective Date"), commence the exchange of payments under the 1995 Bonds Swaption, with the Authority paying a fixed rate and the Swap Provider paying a floating rate equal to 66% of one-month LIBOR; and

WHEREAS, the Authority expects that the Swap Provider will give notice that it will exercise the option on the Effective Date; and

WHEREAS, it is necessary, in connection with the exercise of the Option, that the Authority authorize, issue, sell and deliver, by no later than the Effective Date, pursuant to an Indenture of Trust, dated as of July 1, 1998, between Commerce Bank, National Association, as trustee ("Trustee"), and the Authority ("1998 Indenture"), as supplemented by a Fourth Supplemental Indenture to be entered into by the Authority and the Trustee ("Fourth Supplemental Indenture" and, together with the 1998 Indenture, as heretofore supplemented, the “Indenture”), Refunding Bonds (as defined in the Indenture) for the purpose of refunding and redeeming the Outstanding 1995 Bonds on the Effective Date and paying the costs of issuance of the Refunding Bonds ("2005 Refunding Project"); and

WHEREAS, the Refunding Bonds may be issued in the form of fixed rate Bonds or Variable Rate Bonds (as defined in the Indenture); and

WHEREAS, in connection with the exercise of the Option on the Effective Date and the issuance of the Refunding Bonds, the Authority has determined that it is in the best financial interest of the Authority to authorize: (i) the cash settlement of the 1995 Bonds Swaption; and (ii) the entry by the Authority into a basis swap agreement relating to the Refunding Bonds pursuant to which the Authority will make payments at a floating rate based on the weekly BMA Swap Index and the Authority will receive from the swap counterparty to be selected (a) an upfront payment to be applied to defray costs of cash settlement of the 1995 Bonds Swaption, and (b) payments at a floating rate based on a percentage of one-month LIBOR plus a fixed spread (“Basis Swap Transaction” and, together with the transaction described in clause (i) of this paragraph, the “Replacement Swap Transaction”); and

WHEREAS, in connection with the execution of the 1995 Bonds Swaption, the Authority obtained swap insurance ("Swap Policy") and a commitment to issue a bond insurance
policy insuring the Refunding Bonds ("Bond Insurance Commitment") from Ambac Assurance Corporation ("Ambac"); and

WHEREAS, it is necessary and appropriate for the Authority to authorize and approve the issuance, sale and delivery of the Refunding Bonds, the execution of the Replacement Swap Transaction, the execution and delivery of such documents and instruments as are necessary or appropriate to effect the 2005 Refunding Project and the Replacement Swap Transactions, and such actions as may be necessary or appropriate to effect the 2005 Refunding Project and the Replacement Swap Transaction; and

WHEREAS, capitalized terms used in this Resolution not otherwise defined shall have the meanings ascribed thereto in the Indenture.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Authority as follows:


The Authority hereby authorizes the 2005 Refunding Project and the Replacement Swap Transactions.

2. Refunding Bonds.

(a) The Authority hereby authorizes the issuance, sale and delivery of the Refunding Bonds. The Refunding Bonds shall be issued in an aggregate principal amount which shall not exceed $375,000,000, if the Refunding Bonds are issued as Variable Rate Debt, and in an aggregate principal amount which shall not exceed $415,000,000, if the Refunding Bonds are issued as fixed rate Bonds.

(b) The Chairman, Vice Chairman and Chief Executive Officer of the Authority (collectively, the “Authorized Officers”) shall determine whether to issue the Refunding Bonds as Variable Rate Bonds or fixed rate Bonds, with the advice of the Authority’s Chief Financial Officer, Financial Advisor and Bond Counsel.

(c) The Authorized Officers shall determine, if the Refunding Bonds are to be issued as Variable Rate Bonds, the type of Variable Rate Bonds to be issued, e.g., variable rate demand bonds or auction rate securities, with the advice of the Authority’s Chief Financial Officer, Financial Advisor and Bond Counsel.

(d) The Refunding Bonds shall be dated, shall mature in such principal amounts and on such dates, shall bear interest at such rates, payable on such dates, shall be subject to redemption prior to maturity on such terms and conditions, and shall otherwise be subject to such additional terms, conditions and provisions as shall be approved prior to their issuance by the Authorized Officers with the advice of the Authority’s Chief Financial Officer,
Financial Advisor and Bond Counsel; provided that (i) if the Refunding Bonds are issued as fixed rate Bonds, the net interest cost with respect to the Refunding Bonds shall not exceed 6.0% per annum; (ii) if the Refunding Bonds are issued as Variable Rate Bonds, the maximum interest rate on the Refunding Bonds shall not exceed 15% per annum; (iii) if the Refunding Bonds are issued as fixed rate Bonds, the Underwriters’ discount in connection with the purchase and re-offering of the Refunding Bonds shall not exceed $6.50 per thousand dollars of Refunding Bonds; (iv) if the Refunding Bonds are issued as Variable Rate Bonds, the Underwriters’ discount in connection with the purchase and re-offering of the Refunding Bonds shall not exceed $5.50 per thousand dollars of Refunding Bonds; (v) any optional redemption premium shall not exceed 102%; (vi) the principal amortization of the Refunding Bonds and the amortization schedule of the Basis Swap Transaction shall be identical; and the maximum maturity shall not exceed any applicable provisions of the Compact.

3. Replacement Swap Transaction.

(a) The Authorized Officers are hereby authorized and directed to negotiate and approve the cash settlement of the 1995 Bonds Swaption with the Swap Provider, with the advice of the Authority’s Chief Financial Officer, Financial Advisor and Bond Counsel.

(b) The Authorized Officers are hereby authorized and directed to determine the method of award of the Basis Swap Transaction, either by invitation to bid to qualified providers or by negotiation with one or more qualified providers, with the advice of the Authority’s Chief Financial Officer, Financial Advisor and Bond Counsel.

(c) The Authorized Officers are hereby authorized to approve, execute (jointly or severally) and deliver the documents and instruments necessary to evidence the Replacement Swap Transaction.

4. Approval of Refunding Bond Documents.

The Authority hereby authorizes the preparation of all documents necessary to effect the sale, issuance and delivery of the Refunding Bonds including, without limitation, the Fourth Supplemental Indenture, the Refunding Bonds, a purchase contract between the Authority and underwriters to be selected providing for the sale and purchase of the Refunding Bonds (“Bond Purchase Contract”), a preliminary official statement and a final official statement in respect of the Refunding Bonds (collectively, the “Official Statement”), a Continuing Disclosure Agreement, an escrow deposit agreement, if needed, a Tax Compliance Agreement, any remarketing agreement, auction agent agreement or broker-dealer agreement as may be required if the Refunding Bonds are issued as Variable Rate Bonds, and such other agreements, documents, certificates and instruments as Bond Counsel shall advise are necessary or appropriate to effect the issuance of the Refunding Bonds, the 2005 Refunding Project, the defeasance of the lien of 1995 Indenture and the Replacement Swap Transaction. The Authorized Officers, with the advice of the Authority’s Chief Financial Officer, the Authority’s General Counsel and Bond Counsel, are hereby authorized and directed to approve all such
documents and to cause the execution and delivery of all such documents on behalf of the Authority.

5. **Credit Facilities**

(a) The Authorized Officers, with the advice of the Authority’s Chief Financial Officer, the Financial Advisor and Bond Counsel, are hereby authorized to approve any amendments to the Bond Insurance Commitment necessary or appropriate to cause the issuance by Ambac of the bond insurance policy for the Refunding Bonds.

(b) If the Refunding Bonds are issued as Variable Rate Bonds in the form of variable rate demand bonds, the Authorized Officers, with the advice of the Authority’s Chief Financial Officer, Financial Advisor and Bond Counsel, are hereby authorized to obtain a Credit Facility in the form of a liquidity facility for the Refunding Bonds and to approve and execute a standby bond purchase agreement evidencing such Credit Facility.

6. **Debt Service Reserve Fund.**

The Authorized Officers, with the advice of the Authority’s Chief Financial Officer, Financial Advisor and Bond Counsel, are hereby authorized and directed to determine the Debt Service Reserve Requirement for the Bonds, to obtain a Reserve Fund Credit Facility for a portion of such Debt Service Reserve Requirement, if they determine it to be in the best financial interests of the Authority, and to establish a separate Debt Service Reserve Fund or an account in the 1998 Debt Service Reserve Fund with respect to the Refunding Bonds, as they shall determine to be necessary or appropriate.

7. **Selection of Underwriters and Professional Advisors.**

The Authorized Officers are hereby authorized and directed to select the Underwriters for the Refunding Bonds, an Escrow Agent (who maybe the Trustee or the 1995 Trustee), the Financial Advisor, Bond Counsel, swap bidding agent or investment bidding agent (either of whom may be the Financial Advisor), and any special counsel or co-counsel or other professional advisors for the Authority. If the Refunding Bonds are issued as Variable Rate Bonds, the Authorized Officers shall select any remarketing agent, auction agent, tender agent or broker-dealers as may be required for the form of debt evidenced by such Variable Rate Bonds.

8. **Authorized Officers’ Actions; Execution of Documents.**

The Authorized Officers are hereby authorized and directed to approve, execute and deliver all documents, instruments and certificates, and to take all actions necessary and proper to effect the 2005 Refunding Project, the Replacement Swap Transaction and all other matters authorized in this Resolution. If the Chairman or Vice Chairman is absent or unavailable, the remaining Officer may execute the documents with the Chief Executive Officer. If both the Chairman and the Vice Chairman are absent or unavailable and if it is necessary to execute any
of such documents in their absence, then the Chief Executive Officer shall execute such documents on behalf of the Authority.

9. **Inconsistent Resolutions Repealed.**

   All prior resolutions or parts thereof to the extent inconsistent with this Resolution are hereby rescinded and repealed.

10. **Effective Date.**

   This Resolution shall take effect at the earliest time permitted by applicable law.

DULY ADOPTED THIS 17th day of August, 2005.