Authorization for Issuance of Port District Project Refunding Bonds
(1999B Port District Project Bonds)

1999B PORT DISTRICT PROJECT BONDS
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 16, 2001 (“1999B PDP Bonds Swaption”), with UBS AG (“Swap Provider”) relating to the Authority’s Port District Project Bonds, Series B of 1999 (“1999 Bonds”), which were issued pursuant to an Indenture of Trust, dated as of December 1, 1999 (“1999 Indenture”), between The Bank of New York Mellon Trust Company, N.A., as successor trustee (“1999 Trustee”), and the Authority; and

WHEREAS, the 1999B PDP Bonds Swaption contains an option (“Option”), provided that notice of exercise is given by the Swap Provider in accordance with the provisions of the 1999B PDP Bonds Swaption, requiring that the Authority and the Swap Provider, effective January 1, 2010 (“Effective Date”), commence the exchange of payments under the 1999B PDP Bonds Swaption, with the Authority paying a fixed rate of 5.595% and the Swap Provider paying a floating rate equal to 66% of one-month USD-LIBOR-BBA; and

WHEREAS, pursuant to Resolution DRPA 05-042 (“Swap Resolution”), the Authority authorized, among other things, the cash settlement of the 1999B PDP Bonds Swaption and the replacement of the 1999 Bonds Swaption with a Replacement Swaption (as defined in such Swap Resolution); and

WHEREAS, on September 3, 2009, the Swap Provider notified the Authority of its exercise of the Option on the Effective Date; and

WHEREAS, in connection with the exercise of the Option, or to achieve debt service savings, it is desirable that the Authority authorize, issue, sell and deliver one or more series of bonds (“Refunding Bonds”), pursuant to an Indenture of Trust, to be dated as set forth therein (“Indenture”) to be entered into by the Authority and a trustee to be appointed by the Authority (“Trustee”) for the purposes of: (i) refunding and redeeming of all or a portion of the outstanding 1999 Bonds; (ii) providing for the costs of the cash settlement of all or a portion of the 1999B PDP Bonds Swaption; and (iii) paying the costs of issuance of the Refunding Bonds (collectively, the “2010 Refunding Project”); and

WHEREAS, the Refunding Bonds may be issued in one or more series or subseries, in the form of taxable or tax-exempt fixed rate bonds or variable rate bonds; and

WHEREAS, in connection with the exercise of the Option and the issuance of the Refunding Bonds, the Authority has also determined that it is in the best financial interest of the Authority to authorize: (i) the cash settlement of the 1999B PDP Bonds Swaption using proceeds of the Refunding Bonds; and (ii) the entry by the Authority into one or more interest rate hedging
agreements or basis swap agreements relating to the Refunding Bonds (collectively, the “Replacement Swap Transaction”); 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 Swap Transaction, the execution and delivery of such documents and instruments as are necessary or appropriate to effect the 2010 Refunding Project, including the Swap Transaction, and such actions as may be necessary or appropriate to effect the 2010 Refunding Project, including the Swap Transaction; and

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

1. **Authorization of 2010 Refunding Project and Swap Transaction.**

The Authority hereby authorizes and approves the 2010 Refunding Project and the Swap Transaction.

2. **Refunding Bonds.**

   (a) The Authority hereby authorizes and approves the issuance, sale and delivery of the Refunding Bonds to fund the 2010 Refunding Project, including the Swap Transaction. The Refunding Bonds shall be issued in an aggregate principal amount which shall not exceed $120,000,000, if the Refunding Bonds are issued as variable rate bonds, and in an aggregate principal amount which shall not exceed $170,000,000, if the Refunding Bonds are issued as fixed rate bonds.

   The Refunding Bonds shall be Subordinated Indebtedness, as defined in the Indenture of Trust, dated as of July 1, 1998, as heretofore amended and supplemented, between the Authority and TD Bank, National Association, as successor trustee (“1998 Revenue Bonds Indenture”). In accordance with Section 5.20(d) of the 1998 Revenue Bonds Indenture, the Authority hereby determines that the issuance of the Refunding Bonds will not impair the financial viability of the Authority and its operations.

   (b) If the Refunding Bonds are issued to achieve debt service savings or other benefits to the Authority, the Chief Executive Officer of the Authority shall determine, with the advice of the Authority’s Chief Financial Officer, Financial Advisors and Co-Bond Counsel, the level of debt service savings on the 1999 Bonds necessary or the other benefits to the Authority of issuing the Refunding Bonds.

   (c) The Chief Executive Officer of the Authority shall determine, with the advice of the Authority’s Chief Financial Officer, Financial Advisors and Co-Bond Counsel,
whether to issue the Refunding Bonds as taxable or tax-exempt variable rate bonds or taxable or tax-exempt fixed rate bonds.

(d) The Chief Executive Officer shall determine, with the advice of the Authority’s Chief Financial Officer, Financial Advisors and Co-Bond Counsel, if the Refunding Bonds are to be issued as variable rate bonds, the type of variable rate bonds to be issued.

(e) The Chief Executive Officer shall determine, with the advice of the Authority’s Chief Financial Officer, Financial Advisors and Co-Bond Counsel, whether proceeds of the Refunding Bonds shall be used to cash settle the 1999B PDP Bonds Swaption.

(f) 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 Chief Executive Officer, with the advice of the Authority’s Chief Financial Officer, Financial Advisors and Co-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 8% per annum; (ii) if the Refunding Bonds are issued as variable rate bonds, the maximum interest rate on the Refunding Bonds shall not exceed 12% 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 $6.00 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 $5.00 per thousand dollars of Refunding Bonds; (v) any optional redemption premium on the Refunding Bonds shall not exceed 103%; (vi) the principal amortization of the Refunding Bonds and the amortization schedule of the Swap Transaction shall be identical; and (vii) the final maturity shall not exceed any applicable provisions of the Compact (as defined in the 1999 Indenture).


(a) The Chief Executive Officer is hereby authorized and directed to determine whether a Swap Transaction is advantageous in connection with the issuance of the Refunding Bonds and the types of Swap Transactions to be entered into, with the advice of the Authority’s Chief Financial Officer, Financial Advisors and Co-Bond Counsel.

(b) The Chief Executive Officer is hereby authorized and directed to determine the method of award of the any 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 Advisors and Co-Bond Counsel.
(c) The Chief Executive Officer is hereby authorized to approve, execute and deliver the documents and instruments necessary to evidence any 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 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, a preliminary official statement and a final official statement in respect of the Refunding Bonds, a continuing disclosure agreement, an escrow deposit agreement, if needed, a tax compliance agreement, any remarketing 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 Co-Bond Counsel shall advise are necessary or appropriate to effect the issuance of the Refunding Bonds, the defeasance of the lien of 1999 Indenture, and the 2010 Refunding Project including the Swap Transaction. The Chief Executive Officer, with the advice of the Authority’s Chief Financial Officer, the Authority’s General Counsel and Co-Bond Counsel, is 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 Enhancement.

(a) The Chief Executive Officer, with the advice of the Authority’s Chief Financial Officer, Financial Advisors and Co-Bond Counsel, is hereby authorized and directed to approve and execute a bond insurance commitment if deemed necessary or appropriate in order to cause the issuance by a municipal bond insurance company of a municipal bond insurance policy providing credit enhancement for the Refunding Bonds.

(b) If the Refunding Bonds are issued as variable rate bonds in the form of variable rate demand bonds, the Chief Executive Officer, with the advice of the Authority’s Chief Financial Officer, Financial Advisors and Co-Bond Counsel, is hereby authorized to obtain credit enhancement in the form of a liquidity facility and/or a letter of credit for the Refunding Bonds and to approve and execute one or more standby bond purchase agreements, reimbursement agreements or similar agreements, as necessary or appropriate.


The Chief Executive Officer, with the advice of the Authority’s Chief Financial Officer, Financial Advisors and Co-Bond Counsel, is hereby authorized and directed to determine the “debt service reserve requirement” for the Refunding Bonds, to obtain a “reserve fund credit facility” for all or a portion of such debt service reserve requirement, if he determines it to be in the best financial interests of the Authority, and to establish a separate “Debt Service Reserve
Fund” within the Indenture with respect to the Refunding Bonds, as he shall determine to be necessary or appropriate.

7. Selection of Underwriters, Trustee and Professional Advisors.

The Chief Executive Officer, with the advice of the Chief Financial Officer, is hereby authorized and directed to select the underwriters for the Refunding Bonds, an escrow agent, if necessary (who may be the Trustee or the 1999 Trustee), the Trustee, the Financial Advisors, Co-Bond Counsel, swap bidding agent or investment bidding agent (either of whom may be a 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 Chief Executive Officer shall select any remarketing agent, tender agent or broker-dealers as may be required for the form of debt evidenced by such variable rate bonds.

8. Chief Executive Officer’s Actions; Execution of Documents.

The Chief Executive Officer is 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 2010 Refunding Project, the Swap Transaction and all other matters authorized in this Resolution.

9. Inconsistent Resolutions Repealed.

All prior resolutions or parts thereof to the extent inconsistent with this Resolution are hereby rescinded and repealed. The Swap Resolution remains in full force and effect.

10. Effective Date.

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

DULY ADOPTED THIS 16th day of September, 2009.