1999 REVENUE 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 ("1999 Bonds Swaption"), with UBS AG ("Swap Provider") relating to the Authority’s Revenue Bonds, Series of 1999 ("1999 Bonds"), which were issued pursuant to an Indenture of Trust, dated as of July 1, 1998, by and between TD Bank, National Association, as successor trustee ("Trustee"), and the Authority, as amended and supplemented to date ("1998 Indenture"); and

WHEREAS, the 1999 Bonds Swaption contains an option ("Option"), provided that notice of exercise is given by the Swap Provider in accordance with the provisions of the 1999 Bonds Swaption, requiring that the Authority and the Swap Provider, effective January 1, 2010 ("Effective Date"), commence the exchange of payments under the 1999 Bonds Swaption, with the Authority paying a fixed rate of 5.738% 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 1999 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, pursuant to the 1998 Indenture, as further supplemented by one or more Supplemental Indentures, to be entered into by the Authority and the Trustee (each a “Supplemental Indenture” and, together with the 1998 Indenture, the “Indenture”), Refunding Bonds (as defined in the Indenture) for the purposes of: (i) refunding and redeeming all or a portion of the Outstanding (as defined in the Indenture) 1999 Bonds; (ii) providing for the costs of the cash settlement of all or a portion of the 1999 Bonds Swaption; and (iii) paying the costs of issuance of the Refunding Bonds (collectively, the “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 (as defined in the Indenture); 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 all or a portion of the 1999 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 “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 Refunding Project, including the Swap Transaction, and such actions as may be necessary or appropriate to effect the Refunding Project, including the 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:

1. Authorization of Refunding Project and Swap Transaction.

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

2. Refunding Bonds.

(a) The Authority hereby authorizes and approves the issuance, sale and delivery of the Refunding Bonds to fund the Refunding Project, including the Swap Termination. The Refunding Bonds shall be issued in an aggregate principal amount which shall not exceed $435,000,000, if the Refunding Bonds are issued as Variable Rate Debt, and in an aggregate principal amount which shall not exceed $585,000,000, if the Refunding Bonds are issued as fixed rate Bonds.

(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 1999 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 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.


(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. Manner of Sale; Approval of Refunding Bond Documents.

The Refunding Bonds may be sold in a public offering or private or direct placement as shall be determined by the Chief Executive Officer, with the advice of the Authority’s Chief Financial Officer, Financial Advisors and Co-Bond Counsel. The Authority hereby authorizes the preparation of all documents necessary to effect the sale, issuance and delivery of the
Refunding Bonds including, without limitation, a Supplemental Indenture, the Refunding Bonds, a purchase contract, placement agreement or other similar agreement between the Authority and underwriters to be selected providing for the sale and purchase of the Refunding Bonds or between the Authority and a placement agent or direct purchasers of the Refunding Bonds, as applicable, 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 and the 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 Facilities

(a) The Chief Executive Officer, with the advice of the Authority’s Chief Financial Officer, the Financial Advisors and Co-Bond Counsel, is hereby authorized to apply for a Credit Facility in the form of a 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 Chief Executive Officer, with the advice of the Authority’s Chief Financial Officer, Financial Advisors and Co-Bond Counsel, is hereby authorized to obtain a Credit Facility 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, evidencing such Credit Facility.


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 Bonds, to obtain a Reserve Fund Credit Facility for 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 or an account in the 1998 Debt Service Reserve Fund with respect to the Refunding Bonds, as he shall determine to be necessary or appropriate.
7. **Selection of Underwriters, Placement Agent, Purchasers, and Professional Advisors.**

The Chief Executive Officer, with the advice of the Chief Financial Officer, is hereby authorized and directed to select the underwriters or Placement Agent or direct purchasers of the Refunding Bonds, an Escrow Agent, if necessary (who may be the 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 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 18th day of November, 2009.