

9037. RESOLUTION 04-22 - RELATING TO THE ISSUANCE AND AWARD OF THE DELAWARE RIVER AND BAY AUTHORITY REVENUE BONDS, REFUNDING SERIES 2004. The Executive Director presented the following Resolution.

WHEREAS, The Delaware River and Bay Authority (the “Authority”) was created as a body politic and an agency of government of the State of Delaware and the State of New Jersey, by virtue of Chapters 145 and 146, Volume 53, Laws of Delaware, approved by the Governor of the State of Delaware July 21, 1961, and Chapter 66 of the Pamphlet Laws of 1961 of the State of New Jersey, approved by the Governor of the State of New Jersey June 3, 1961 (said Chapters 145 and 146 and said Chapter 66 being hereinafter sometimes collectively called the “Original Enabling Legislation”), pursuant to which the State of Delaware and the State of New Jersey entered, subject to the consent of the Congress of the United States of America, into a compact (hereinafter sometimes called the “Original Compact”) creating the Authority; and

WHEREAS, the consent of the Congress of the United States of America was given to the States of Delaware and New Jersey to enter into the Original Compact by a Joint Resolution of the Congress, approved September 20, 1962 (Public Law 87-678, 87th Congress); and

WHEREAS, by virtue of Chapter 252, Volume 67, Laws of Delaware, approved by the Governor of the State of Delaware June 28, 1990, and Chapter 192 of the Pamphlet Laws of 1989 of the State of New Jersey, approved by the Governor of the State of New Jersey October 18, 1989 (said Chapter 252 and said Chapter 192, together with the Original Enabling Legislation being hereinafter sometimes collectively called the “Enabling Legislation”), the State of Delaware and the State of New Jersey entered, subject to the consent of the Congress of the United States of America, into certain amendments to the Original Compact (as so amended and as may be further amended from time to time hereinafter sometimes called the “Compact”); and

WHEREAS, the consent of the Congress of the United States of America was given to the State of Delaware and New Jersey to enter into the Compact by a Joint Resolution of the Congress, approved November 15, 1990 (Public Law 101-565, 101st Congress); and

WHEREAS, by virtue of the Compact and the Enabling Legislation, the Authority’s powers include authorization to plan, finance, develop, construct, purchase, lease, maintain, improve and operate crossings, including bridges, tunnels and ferries and all approaches thereto and connecting and service routes, between the State of Delaware and the State of New Jersey across the Delaware River or Bay at any location south of the boundary line between the State of Delaware and the Commonwealth of Pennsylvania as extended across the Delaware River to the New Jersey shore of said River; and

WHEREAS, the Authority owns, operates and maintains twin bridges spanning the Delaware River from a point between Pigeon Point near the City of Wilmington in the State of Delaware and New Castle in said State to a point near the Salem Canal in the State of New Jersey, together with their approaches, appurtenances and property; and

WHEREAS, the Authority also owns, operates and maintains a public ferry system across Delaware Bay between Cape May in the State of New Jersey and the Town of Lewes in the State of Delaware, including vessels, marine facilities, approaches and connecting and service routes and appurtenances and equipment incidental thereto; and

WHEREAS, the Authority entered into the Trust Agreement (the "Trust Agreement") and Supplemental Trust Agreement Number 1, each dated as of October 1, 1993, with Wilmington Trust Company, as Trustee, and issued and secured thereunder its \$123,755,000 Revenue Bonds, Series 1993 (the "1993 Bonds") to: (i) defease certain outstanding indebtedness with respect to the Authority's outstanding revenue bonds originally issued in the aggregate principal amount of \$103,000,000 (the "Prior Bonds") and the defeasance of the trust agreement, dated as of January 1, 1964 pursuant to which the Prior Bonds were issued and (ii) finance the costs of certain Additional Facilities; and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 2, dated as of August 1, 1996, with the Trustee and issued and secured thereunder its \$67,065,000 Revenue Bonds, Series 1996 (the "1996 Bonds") for the purpose of financing the costs of certain Additional Facilities; and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 3 dated as of June 1, 2000 and Supplemental Trust Agreement Number 4 dated as of August 1, 2000, with the Trustee and issued and secured thereunder its \$98,755,000 Revenue Bonds, Series 2000A and \$30,000,000 Revenue Bonds, Series 2000B, respectively (collectively, the "2000 Bonds") for the purpose of financing the costs of certain Additional Facilities; and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 5, dated as of January 1, 2003, with the Trustee and issued and secured thereunder its \$76,300,000 Revenue Bonds, Series 2003 (the "2003 Bonds") for the purpose of financing the costs of certain Additional Facilities; and

WHEREAS, the Authority has determined to refund for significant debt service savings all or such portion of the outstanding callable 1993 Bonds and 1996 Bonds (the "Refunding Candidates") as the Delegates (hereinafter defined) shall determine and shall meet the minimum present value debt service savings threshold set by this resolution (the Refunding Candidates so refunded, the "Refunded Bonds"); and

WHEREAS, there have been presented at this meeting copies of forms of the following documents relating to the issuance of the Bonds hereinafter mentioned:

- (a) the Sixth Supplemental Trust Agreement (the "Supplemental Agreement") between the Authority and the Trustee, the provisions of which relate to the issuance of and security for the Bonds;
- (b) the Bond Purchase Agreement (the "Bond Purchase Agreement") between the Authority and Citigroup Global Markets Inc., as the manager of the underwriters named therein (collectively, the "Underwriters");
- (c) the Escrow Deposit Agreement (the "Escrow Deposit Agreement") by and between the Authority and Wilmington Trust Company, as Escrow Agent; and

- (d) the Preliminary Official Statement (the “Preliminary Official Statement”), including the Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”), relating to the Bonds;

NOW, THEREFORE, THE COMMISSIONERS OF THE DELAWARE RIVER AND BAY AUTHORITY HEREBY RESOLVE, as follows:

Section 1. *Definitions.* Capitalized words and terms used in this Resolution and not defined herein shall have the same meanings in this Resolution as such words and terms are given in the Trust Agreement or the Supplemental Agreement.

Section 2. *Authorization of the Bonds; Determination of Refunded Bonds.* Pursuant to the authority granted to it by the Compact, the Authority hereby authorizes the issuance of The Delaware River and Bay Authority Revenue Bonds, Refunding Series 2004 (the “Bonds”) in an aggregate principal amount not to exceed \$130,000,000, consisting of Current Interest Bonds that are Serial Bonds or Term Bonds or a combination thereof, dated as of such date, maturing on such dates in such years not later than January 1, 2026 and in such principal amounts and bearing interest at such rates, all as determined by the unanimous agreement of the Chairman, Vice Chairman and Chairman of the Board’s Budget & Finance Committee (collectively, the “Delegates”) prior to the award of the Bonds; provided that the true interest cost rate on the Bonds shall not exceed 4.50% per annum. The Delegates are hereby authorized to determine which of the Refunding Candidates shall be Refunded Bonds subject to their receipt of the advice of the Authority’s Financial Advisor, Cavanaugh Capital Management, Inc., that the Authority will have surpassed the standard of an aggregate net present value debt service savings, as determined by the Financial Advisor, of not less than three percent (3%) of the principal amount of the Refunded Bonds.

Section 3. *Redemption Provisions.* The Bonds shall be subject to optional and mandatory sinking fund redemption at such times, upon such terms and conditions, and at such prices, all as determined by the unanimous agreement of the Delegates prior to the award of the Bonds; provided that the Bonds shall be subject to redemption prior to maturity at the option of the Authority on a date not later than July 1, 2014 and at a redemption price not to exceed 102%; provided further, however, that if the Authority’s Financial Advisor shall advise the Delegates that the incremental savings to be realized from the Authority’s extending the period during which the Bonds are not subject to redemption at the option of the Authority or making all or any of the Bonds not subject to redemption at the option of the Authority outweigh the value of the call options surrendered on such Bonds and the Delegates shall agree, then such Bonds (the Bonds with respect to which such determination shall be made that such incremental savings outweigh the value of the call options surrendered) shall be not be subject to redemption, at the option of the Authority, for such extended period or periods or prior to their stated maturity, as the case may be. The Term Bonds shall have such Amortization Requirements as determined by the unanimous agreement of the Delegates prior to the award of the Bonds.

Section 4. *Approval of Forms of Documents.* The forms, terms and provisions of the Supplemental Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Escrow Deposit Agreement are hereby approved in all respects, and the Authority Representatives (hereinafter defined) are each hereby authorized and directed to execute and deliver the Supplemental Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Escrow Deposit Agreement in substantially the forms presented to this meeting together with such changes, modifications and deletions as such Authority Representatives, with the advice of Authority counsel, may deem necessary and appropriate; such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Authority.

Section 5. *Purchase of Defeasance Obligations.* Any Authority Representative is hereby authorized to subscribe, cancel such subscription and resubscribe, without limitation, for United States Treasury State and Local Government Series, Time Deposit Securities and Demand Deposit Securities, and alternatively, if so advised by the Authority's Financial Advisor, to purchase and sell open market Defeasance Obligations, all for the purpose of funding the escrows for the Refunded Bonds. If any Authority Representative shall determine that the same shall improve the efficiency of the escrow funds created under the Escrow Deposit Agreement, he is further authorized to enter into agreements and give instructions for the purchase of Defeasance Obligations for periods when moneys credited to said escrow funds would otherwise be uninvested. An Authority Representative is further authorized to determine the particular Defeasance Obligations to be purchased and the form thereof and the terms of any related agreement with respect thereto that, in his judgment, will improve the efficiency of the Defeasance Obligations in defeasing the Refunded Bonds.

Section 6. *Execution of the Bonds.* The Chairman and the Secretary are hereby authorized and directed to execute by facsimile signature, and to deliver to the Bond Registrar, for authentication on behalf of the Authority, the Bonds in definitive form, which shall be in substantially the form contained in the Supplemental Agreement together with such changes, modifications and deletions as they, with the advice of Authority counsel, may deem necessary and appropriate and consistent with the Trust Agreement and the Supplemental Agreement; such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Authority.

Section 7. *Authorization of Delegates to Award the Bonds.* The Authority hereby authorizes the Delegates by unanimous agreement to award the Bonds to the Underwriters in the aggregate principal amount determined pursuant to Section 2 of this Resolution and at the interest rates determined pursuant to said Section 2 at a purchase price not greater than 115% nor less than 99% of their principal amount, with an underwriting discount of not greater than 1% of the principal amount of the Bonds, all as determined by the unanimous agreement of the Delegates, plus accrued interest, if any.

Section 8. *Authentication and Delivery of the Bonds.* Upon their execution in the form and manner set forth in the Supplemental Agreement, the Bonds shall be deposited with the Bond Registrar for authentication, and the Bond Registrar is hereby authorized and directed to authenticate and, upon due and valid execution and acceptance of the Bond Purchase Agreement, the Escrow Deposit Agreement and the Supplemental Agreement, by the proper parties thereto, the Trustee shall cause the Bond Registrar to deliver the Bonds for the account of the Underwriters at The Depository Trust Company, New York, New York against payment therefor in accordance with and subject to the provisions of Section 210 of the Trust Agreement.

Section 9. *Offering Documents.* The form of Preliminary Official Statement is hereby approved and an Authority Representative is hereby authorized to approve the terms of and publish a Preliminary Official Statement describing the Bonds in substantially the same form as the Preliminary Official Statement presented to this meeting and deem “final” such Preliminary Official Statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended; and an Authority Representative is hereby authorized to execute an official statement in substantially the form of the deemed “final” Preliminary Official Statement, together with such changes, modifications and deletions as such Authority Representative, with the advice of Authority counsel, may deem necessary or appropriate; and such execution shall be conclusive evidence of the approval thereof by the Authority; and the Authority hereby approves and authorizes the distribution and use of copies of the Preliminary Official Statement, the Official Statement, the Trust Agreement, the Supplemental Agreement and the Escrow Deposit Agreement by the Underwriters in connection with the sale and marketing of the Bonds.

Section 10. *Certain Appointments.* Pursuant to the Trust Agreement and the Supplemental Agreement, the Authority hereby makes the following appointments:

- (a) as Paying Agent and Bond Registrar for the Bonds, Wilmington Trust Company, which is also Trustee under the Trust Agreement and the Supplemental Agreement; and
- (b) as Escrow Agent under the Escrow Deposit Agreement for the Refunded Bonds, Wilmington Trust Company, which is also a Paying Agent for the Refunded Bonds.

Section 11. *Bond Insurance.* The Delegates are hereby authorized, by their unanimous agreement, to accept a commitment, and pay the premium, for a municipal bond insurance policy from a municipal bond insurance company provided that the following criteria are met:

- (a) As a result of the issuance of such municipal bond insurance policy, the Bonds with the benefit of such insurance (“Insured Bonds”) shall receive the highest rating from at least Moody’s Investors Service (Aaa) and Standard & Poor’s Ratings Services (AAA);
- (b) The Authority’s Financial Advisor shall certify that in its estimation the aggregate amount of debt service on the Insured Bonds and taking into account the payment of the premium therefor from the proceeds of the Bonds is less than would be the aggregate amount of debt service on the Insured Bonds without the benefit of the municipal bond insurance policy; and
- (c) The additional covenants and representations required of the Authority by the municipal bond insurance company as a condition precedent to the issuance of its municipal bond insurance policy are not, in the judgment of the Delegates and the Financial Advisor to the Authority, being advised by Authority counsel, onerous or otherwise contrary to the best interests of the Authority.

Section 12. *Application of the Proceeds of the Bonds.* The proceeds of the Bonds shall be deposited by an Authority Representative in accordance with the provisions of Section 210 of the Trust Agreement as follows:

(1) to the Trustee for deposit to the Debt Service Fund, the amount of any accrued interest received with the purchase price with respect to the Bonds;

(2) to the Escrow Agent for deposit to the credit of the escrow fund created pursuant to the Escrow Deposit Agreement, such amount as shall have been deposited to the Debt Service Fund for the payment of the principal of or interest on the Refunded Bonds, any excess to the credit of the Debt Service Reserve Fund and such portion of the proceeds of the Bonds as determined by such Authority Representative to be necessary, but not greater than that amount required, in order to defease and redeem on their respective redemption dates the Refunded Bonds;

(3) to the Trustee for deposit to the Debt Service Reserve Fund, such a portion of the proceeds of the Bonds as determined by such Authority Representative to be necessary, but not greater than that amount required, in order that such amount, when added to the amounts, if any, deposited to the credit of the Debt Service Reserve Fund by the Authority from other funds available to it, will make the total amount held for the credit of the Debt Service Reserve Fund equal to the Debt Service Reserve Fund Requirement on account of the Bonds; and

(4) to the Trustee for deposit to a special subaccount in the Revenue Fund designated "The Series 2004 Costs of Issuance Account", the balance of the proceeds of such Bonds.

Section 13. *Authority Representatives.* The Chairman, Vice Chairman, Chairman of the Board's Budget and Finance Committee and Executive Director are each hereby appointed Authority Representatives with full power to carry out the duties set forth herein and therein.

Section 14. *Authority of Authority Representatives.* The Authority Representatives are each authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such documents, certificates, undertakings, agreements or other instruments as they, with the advice of Authority counsel, may deem necessary or appropriate to effectuate the transactions contemplated by this Resolution, the Trust Agreement, the Supplemental Agreement, the Bond Purchase Agreement, the Escrow Deposit Agreement, the Continuing Disclosure Agreement and the Official Statement. The Authority Representatives are each authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such amendments to the Authority's existing forward delivery agreements that may be necessary or desirable to reflect the circumstance of the issuance of the Bonds and the refunding of the Refunded Bonds. The Authority Representatives are each further authorized and directed to obtain the services of a financial institution with experience in calculating arbitrage yields and cash flows in connection with the refunding of municipal securities to serve as Verification Agent for the refunding transaction authorized by this Resolution.

Section 15. *Delegates' Certificate.* The Delegates shall execute a Certificate evidencing the determinations made or other actions carried out by their unanimous agreement pursuant to the authority granted in this Resolution, and any such Certificate shall be conclusive evidence of the actions or determinations as stated therein.

Section 16. *Effective Date.* This Resolution shall take effect immediately upon its passage.

Resolution 04-22 was moved by Commissioner Patterson, seconded by Commissioner Hensley and was approved by a roll call vote of 9-0.