

THE DELAWARE RIVER AND BAY AUTHORITY
TO
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
AS TRUSTEE

SUPPLEMENTAL TRUST AGREEMENT
NUMBER 12

Dated as of September 1, 2019

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This Supplemental Trust Agreement Number 12, dated for convenience of reference as of the 1st day of September, 2019 (this “**Supplemental Agreement**”), by and between

THE DELAWARE RIVER AND BAY AUTHORITY,

a body politic and an agency of government of the State of Delaware and the State of New Jersey (hereinafter sometimes referred to as the “**Authority**”), and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as successor Trustee,

a national banking association organized and existing under laws of the United States of America having an office in Woodland Park, New Jersey, which is authorized under such laws to exercise corporate trust powers and is subject to examination by federal authority, as trustee (said trust company and any bank or trust company becoming successor trustee under this Supplemental Agreement being hereinafter sometimes called the “**Trustee**”), supplemental to that certain Trust Agreement (as herein defined).

WITNESSETH:

WHEREAS, the Authority entered into a Trust Agreement dated as of October 1, 1993 (the “**Initial Agreement**”; said Initial Agreement, as amended and supplemented as therein permitted, is referred to herein as the “**Trust Agreement**”), between the Authority and Wilmington Trust Company (the “**Original Trustee**”), and Supplemental Trust Agreement Number 1, dated as of October 1, 1993, for the purpose of providing for the issuance of and securing its \$123,755,000 Revenue Bonds, Series 1993 (the “**1993 Bonds**”), and from the proceeds thereof: (i) defeasing 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 (the “**Prior Trust Agreement**”), pursuant to which the Prior Bonds were issued and (ii) financing the costs of certain Additional Facilities (as defined herein); and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 2, dated as of August 1, 1996, with the Original 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 Original Trustee and issued and secured thereunder its \$98,755,000 Revenue Bonds, Series 2000A (the “**2000A Bonds**”) and its \$30,000,000 Revenue Bonds, Series 2000B (the “**2000B Bonds**”, and together with the 2000A Bonds, the “**2000 Bonds**”), respectively, 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 Original 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 entered into Supplemental Trust Agreement Number 6, dated as of September 1, 2004, with the Original Trustee and issued and secured thereunder its \$53,670,000 Revenue Bonds, Refunding Series 2004 (the “**2004 Bonds**”) for the purpose of refunding a portion of the 1993 Bonds and the 1996 Bonds; and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 7, dated as of March 1, 2005, with the Original Trustee and issued and secured thereunder its \$180,215,000 Revenue Bonds, Refunding Series 2005 (the “**2005 Bonds**”) for the purpose of refunding the remaining outstanding portion of the 1993 Bonds and the 1996 Bonds and refunding a portion of the 2000A Bonds and the 2003 Bonds; and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 8, dated as of December 1, 2008, with the Original Trustee and issued and secured thereunder its \$30,000,000 Revenue Bonds, Refunding Series 2008 (the “**2008 Bonds**”) for the purpose of refunding the remaining outstanding 2000B Bonds. The 2008 Bonds were issued as Variable Rate Bonds and the payment of principal of and interest on the 2008 Bonds have been secured by and payable initially from drawings under an irrevocable, direct-pay letter of credit (the “**2008 Letter of Credit**”) issued by TD Bank, N.A. (the “**2008 Letter of Credit Bank**”); and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 9, dated as of November 1, 2012 with The Bank of New York Mellon Trust Company, N.A., as successor Trustee (the “**Trustee**”), and issued and secured thereunder its \$58,635,000 Revenue Bonds, Series 2012A (the “**2012A Bonds**”) for the purpose of financing the costs of certain Additional Facilities, and its \$38,020,000 Revenue Bonds, Refunding Series 2012B (the “**2012B Bonds**”, and together with the 2012A Bonds, the “**2012 Bonds**”) for the purposes of refunding all the remaining outstanding 2003 Bonds; and

WHEREAS, the Authority and the Trustee entered into Supplemental Trust Agreement Number 10, dated June 26, 2014, pursuant to which certain amendments to the Trust Agreement were made as provided in Section 1102 thereof; and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 11, dated as of July 1, 2014 with the Trustee, and issued and secured thereunder its \$72,000,000 Revenue Bonds, Series 2014A (the “**2014A Bonds**”) for the purpose of financing the costs of certain Additional Facilities, its \$27,920,000 Revenue Bonds, Refunding Series 2014B (the “**2014B Bonds**”) for the purpose of advance refunding a portion of the outstanding 2005 Bonds, and its \$118,150,000 Revenue Bonds, Refunding Series 2014C (the “**2014C Bonds**”) for the purpose of currently refunding a portion of the outstanding 2005 Bonds; and

WHEREAS, this Supplemental Agreement is being entered into by the Authority and the Trustee pursuant to the provisions of Sections 209, 210 and 1101(e) of the Trust Agreement in order to provide for the issuance of the fourteenth (14th) series of bonds pursuant to the Trust Agreement in order to provide funds for, among other things, (i) the costs of certain Additional Facilities and (ii) together with other available moneys, the current refunding of all of the outstanding 2008 Bonds; and

WHEREAS, the Authority has determined that substantial changes to the existing Trust Agreement are desired and needed to provide the Authority with, among other things, greater flexibility in efficiently conducting its operations and in financing capital needs. As a result, the Authority and the Trustee also desire to enter into this Supplemental Agreement to amend certain provisions of the Trust Agreement, such amendments to only become effective at a future date upon receipt of the consent of holders of not less than a majority in aggregate principal amount of bonds then outstanding as permitted by Section 1102 of the Trust Agreement; and

WHEREAS, by virtue of the Enabling Legislation and the Compact (each as defined in the Trust Agreement) and the Trust Agreement, the Authority is authorized to issue its revenue bonds as hereinafter provided, to enter into this Supplemental Agreement and to do or cause to be done all the acts and things herein provided or required to be done as hereinafter covenanted; and

WHEREAS, the execution and delivery of this Supplemental Agreement have been duly authorized by resolution of the Authority; and

WHEREAS, all acts, conditions and things required by the constitution and laws of the State of Delaware and the State of New Jersey and by the Compact, to happen, exist and be performed precedent to and in the execution and delivery of this Supplemental Agreement have happened, exist and have been performed as so required, in order to make this Supplemental Agreement a legal, valid and binding trust agreement for the security of the bonds herein authorized in accordance with its terms; and

WHEREAS, the Trustee has accepted the trusts created by this Supplemental Agreement and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created and by the Trust Agreement, and also for and in consideration of the sum of One Dollar to the Trustee in hand paid by the Authority at or before the execution and delivery of this Supplemental Agreement, the receipt of which is hereby acknowledged, it is mutually agreed and covenanted by and between the parties hereto, as follows:

ARTICLE I.

DEFINITIONS.

Section 1.01. **Meaning of Words and Terms.** In addition to words and terms defined in the Trust Agreement, which words and terms are used herein as therein defined, or elsewhere in this Supplemental Agreement, the following words and terms as used in this Supplemental Agreement shall have the following meanings, unless some other meaning is plainly intended:

Section 1.02. **Additional Facilities.** The term “Additional Facilities” shall mean the various capital projects undertaken or to be undertaken in the fiscal years ending December 31, 2019, 2020, 2021, 2022 and 2023 and identified in the Authority’s current Five-Year Capital Plan. Said capital projects relate to the improvement, rehabilitation and expansion of the Bridge and the Ferry and related facilities and appurtenances.

Section 1.03. **Bond Purchase Agreement.** The term “Bond Purchase Agreement” shall mean the Bond Purchase Agreement, dated September 12, 2019, by and between the Authority and J.P. Morgan Securities LLC, as representative of a group of underwriters, with respect to the purchase and sale of the 2019 Bonds.

ARTICLE II.

THE 2019 BONDS

Section 2.01. **Authorization of Revenue Bonds of the Authority.**

(a) **Authorization of 2019 Bonds.** There are hereby authorized and there shall be issued on the Closing Date stated below, under and secured by the Trust Agreement and this Supplemental Agreement, a single series of revenue bonds designated “Revenue Bonds, Series 2019” (the “**2019 Bonds**”), and shall be issued in the aggregate principal amount of One Hundred Seventy-Two Million Nine Hundred Sixty-Five Thousand Dollars (\$172,965,000) for the purposes of providing funds for: (i) financing the costs of certain Additional Facilities; (ii) currently refunding the 2008 Bonds as indicated under the appropriate column on Schedule 1 attached hereto (the “**Refunded 2008 Bonds**”); (iii) funding a deposit to the Debt Service Reserve Fund; and (iv) paying the costs associated with the issuance of the 2019 Bonds.

The 2019 Bonds are being issued and delivered on September 25, 2019 (the “**Closing Date**”) pursuant to the Bond Purchase Agreement.

The 2019 Bonds are being issued pursuant to clause (i) of the first paragraph of Section 209 and Section 210 of the Trust Agreement.

(b) **Certain Details of 2019 Bonds.** The 2019 Bonds shall be dated their date of delivery (September 25, 2019), shall consist of serial bonds maturing on January 1 in the years 2020 and 2039, and one (1) term bond maturing on January 1 in the year 2044 (the “**2019 Term Bonds**”). The 2019 Bonds of each maturity shall be issued in the principal amounts and bear interest, payable semi-annually on each January 1 and July 1, commencing January 1, 2020, at the rates per annum (based upon a 360-day year of twelve 30 day months) as set forth below:

2019 Bonds		
<u>Maturity</u> <u>(January 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2027	\$ 1,500,000	5.000%
2028	800,000	5.000
2029	11,700,000	5.000
2030	14,625,000	5.000
2031	7,605,000	5.000
2032	7,985,000	5.000
2033	8,380,000	5.000
2034	8,800,000	4.000
2035	9,240,000	3.000

<u>Maturity (January 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2036	9,705,000	3.000
2037	10,090,000	3.000
2038	10,495,000	3.000
2039	10,915,000	4.000

\$61,485,000 Term Bond due January 1, 2044 at 4.000%

(c) **Amortization Requirements for 2019 Bonds.** The Amortization Requirements for the 2019 Term Bonds, referred to and defined and subject to adjustment as provided in Section 101 of the Trust Agreement, shall be the following amounts on January 1 of the following years for the following term bonds:

<u>2019 Term Bond due January 1, 2044</u>	
<u>Due January 1</u>	<u>Amortization Requirements</u>
2040	\$ 11,500,000
2041	11,750,000
2042	12,200,000
2043	12,750,000
2044*	13,285,000

* Unamortized principal at stated maturity.

At its option, to be exercised not less than forty-five (45) days prior to each such applicable Principal Payment Date, the Authority may (a) deposit monies with the Trustee to be used to purchase the 2019 Term Bonds or direct the Trustee to cause monies in the respective Debt Service Funds for the 2019 Bonds to be used for such purchases, at a price not exceeding the principal amount thereof plus accrued interest to such applicable Principal Payment Date, or (b) receive a credit against the Amortization Requirements for the 2019 Term Bonds which prior to such date have been purchased by the Authority and presented to the Trustee for cancellation or redeemed (otherwise than in satisfaction of prior Amortization Requirements) and canceled by the Trustee and, in either case, not theretofore applied as a credit against any Amortization Requirement. Such 2019 Term Bonds so purchased, delivered or previously redeemed will be credited by the Trustee at 100% of the principal amount thereof against the current Amortization Requirement with respect to the 2019 Term Bond due on the same date as the Bond so purchased, delivered or previously redeemed and canceled. Any excess over such current Amortization Requirement will be credited against the future Amortization Requirements of the 2019 Term Bond with the same maturity date in such manner as the Authority shall determine, and the principal amount of the 2019 Term Bond with such maturity date to be redeemed by mandatory sinking fund redemption will be reduced accordingly.

(d) **Optional Redemption.** The 2019 Bonds maturing on or prior to January 1, 2029 may not be called for redemption prior to its stated maturity date.

On and after January 1, 2029, the 2019 Bonds maturing on or after January 1, 2030 may be called for redemption prior to maturity at the option of the Authority, from any moneys that

may be made available for such purpose, other than moneys set aside in respect of an Interest Requirement, Principal Requirement or Amortization Requirement, in whole or in part at any time, and if in part, as the Authority may direct, at the redemption price of par, plus interest accrued to the date fixed for redemption.

Any notice of optional redemption of the 2019 Bonds may state that it is conditioned upon there being available on the redemption date an amount of money sufficient to pay the redemption price, consisting of par and the applicable redemption premium, if any, plus interest accrued and unpaid to the redemption date (the “**Redemption Price**”), and any conditional notice so given may be rescinded at any time to and including the redemption date if such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds being on deposit with the Trustee to pay the Redemption Price, the corresponding notice of redemption shall be deemed to have been revoked *nunc pro tunc*.

If the Authority gives an unconditional notice of redemption, then on the redemption date the 2019 Bonds called for redemption will become due and payable at the Redemption Price. If the Authority gives a conditional notice of redemption and money to pay the Redemption Price of the affected 2019 Bonds shall have been set aside in escrow with the Trustee for the purpose of paying such 2019 Bonds, then on the redemption date the 2019 Bonds so called for redemption shall become due and payable. In either case, if on the redemption date the Trustee holds money to pay the Redemption Price of the 2019 Bonds called for redemption, thereafter, no interest will accrue on those 2019 Bonds, and a Bondholder’s right will be to receive payment of the Redemption Price upon surrender of its 2019 Bonds so called for redemption.

(e) **Form of 2019 Bonds.** The definitive 2019 Bonds issued under the provisions of this Supplemental Agreement shall be in substantially the form set forth in Appendix A, attached hereto. The 2019 Bonds shall be issued in registered form without coupons in the name of Cede & Co., as nominee of The Depository Trust Company, and which shall be numbered from R-1 upwards.

Section 2.02. **Authentication and Delivery of 2019 Bonds – Closing Date.** Upon their execution in the form and manner set forth in the Trust Agreement and this Supplemental Agreement, the 2019 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 this Supplemental Agreement by the proper parties thereto, the Trustee shall cause the Bond Registrar to deliver the 2019 Bonds for the account of J.P. Morgan Securities LLC at The Depository Trust Company, New York, New York, against payment therefor on the Closing Date in accordance with and subject to the provisions of Sections 209 and 210 of the Trust Agreement and the terms and provisions of the Bond Purchase Agreement. As a condition precedent to the authentication of the 2019 Bonds, the Trustee shall be entitled to receive, in addition to the items required by Sections 209 and 210 of the Trust Agreement, an opinion of Bond Counsel to the effect that this Supplemental Agreement is valid and binding upon the Authority, and that the Refunded 2008 Bonds are no longer Outstanding under the Trust Agreement.

Section 2.03. **Application of Bond Proceeds.** On the Closing Date, the proceeds of the 2019 Bonds shall be applied in accordance with the provisions of Section 209 and 210 of the Trust Agreement as follows:

(a) 2019 Bonds.

(1) proceeds of the 2019 Bonds in the amount of \$30,016,897.37 shall be deposited by the Bond Registrar to the credit of a special escrow fund, which shall be a subaccount of the Debt Service Fund, held in trust by the Trustee. Amounts so deposited together with amounts identified in paragraph (2) below shall be used to reimburse the 2008 Letter of Credit Bank for the principal and interest components of the Letter of Credit draw, proceeds of which will be used to defease and redeem the Refunded 2008 Bonds on the date set for redemption, all in accordance with the provisions of Section 210 of the Trust Agreement. The Trustee has previously been directed to provide the proper conditional notice of redemption as provided in the Trust Agreement and in Section 2.04 of Supplemental Trust Agreement Number 8 dated as of December 1, 2008 pertaining to the 2008 Bonds. Any excess balance remaining on September 26, 2019 in the special escrow fund shall be transferred to the Debt Service Fund for the 2019 Bonds to which such excess is related to, and be applied to pay the Interest Requirement and/or Principal Requirement next due on said Bonds;

(2) pursuant to Section 210 of the Trust Agreement, the Authority hereby directs the Trustee to withdraw \$19,102.63 from the Debt Service Fund, set aside for the payment of interest on the 2008 Bonds, and deposit into the special escrow fund established in paragraph (1) above. Such amounts shall be used to reimburse the 2008 Letter of Credit Bank for the portion of the Letter of Credit draw constituting a portion of the accrued interest on the Refunded 2008 Bonds to their redemption date;

(3) to the Trustee the amount, if any, required to be deposited in to the Debt Service Reserve Fund to make the amount so deposited therein equal to the Debt Service Reserve Fund Requirement;

(4) it of the "Series 2019 Construction Account" held by Wilmington Trust Company (Ac# 13xxxx-000¹), from which the Authority shall pay the costs of the Additional Facilities; and

(5) the balance of the 2019 Bond proceeds in the amount of \$491,607.65 shall be deposited to the credit of the "Series 2019 "Costs of Issuance Account", from which the Authority shall pay the costs of issuing the 2019 Bonds. Any excess balance remaining three (3) months after the issuance of the 2019 Bonds in the Series 2019 Costs of Issuance Account shall be transferred to the Debt Service Fund for the 2019 Bonds to which such excess is related to, and be applied to pay the Interest Requirement and/or Principal Requirement next due on the Bonds.

¹ Complete wire instructions provided to the Trustee by the Authority.

(b) Appendix B, attached hereto and made a part hereof, delineates the sources and uses of the funds of the 2019 Bonds. The Trustee is hereby instructed to make the transfers and deposits on the Closing Date, as set forth in Appendix B.

ARTICLE III.

AMENDMENT TO TRUST AGREEMENT

Section 3.01. **Springing Amendments; Effective Date.** In order to effectuate the Authority's desire to improve both its operations and financing of capital assets, the Authority, through the proposed amendments stated in this Article III, intends to improve and modernize the Trust Agreement. These modifications (the "**Springing Amendments**") are intended to become effective at a future date when consent of holders of not less than a majority in aggregate principal amount of bonds then outstanding has been obtained as permitted by Section 1102 of the Trust Agreement. The date on which the requisite Number of holders have consented to modifications set forth herein, and thus causing the provisions of the Springing Amendments to become effective, is referred to herein as the "**Springing Amendment Effective Date**".

A portion of the holders of the 2019 Bonds have consented to the Springing Amendments. As of the date of this Supplemental Agreement and based upon \$455,645,000 principal amount of bonds outstanding following the issuance of the 2019 Bonds, the holders of the 2019 Bonds have provided their written consent with respect to \$157,705,000 of principal amount of bonds outstanding. This portion represents 34.61% of outstanding bonds under the Trust Agreement upon issuance of the 2019 Bonds.

Section 3.02. **Amendment to the Definition of "Investment Obligations"**. On the Springing Amendment Effective Date, paragraph (c) of the definition of "Investment Obligation" in the Trust Agreement is hereby amended by making insertions as shown by underlining and deletions as shown by strikethrough as follows:

Investment Obligations. The term "Investment Obligations" shall mean, to the extent permitted by law and except as may be provided in a Supplemental Agreement providing for the issuance of such bonds:

...

(e) shares in one or more open-ended investment funds or exchange-traded funds, provided that the funds are registered under the federal Investment Company Act of 1940, and ~~have ratings~~ the holdings of the funds exhibit an average rating by Moody's Investors Services of Aa ~~Aa3~~ or better and Standard & Poor's Corporation of AA ~~AA-~~ or better or their equivalent;

...

Section 3.03. **Amendment to Section 209. Additional Bonds.** On the Springing Amendment Effective Date, paragraph (b)(i) of Section 209 is hereby amended by making insertions as shown by underlining and deletions as shown by strikethrough as follows:

...

(b) a certificate, signed by the Executive Director, setting forth

(i) the amount of Net Revenues shown by any twelve (12) consecutive of the last twenty-four (24) ~~eighteen (18)~~ monthly reports filed under the provisions of said Section 709, provided that, if any adjustment of rates, fees, tolls and other charges had been put into effect during or after the end of such twelve (12) month period, such Net Revenues will be adjusted to reflect Revenues which the Consulting Engineers estimate would have resulted had the adjustment been in effect for the entire twelve (12) month period, and

...

Section 3.04. **Amendment to Section 506. Debt Service Fund; Other Funds.** On the Springing Amendment Effective Date, paragraph (c) of Section 506 is hereby amended by making insertions as shown by underlining and deletions as shown by strikethrough as follows:

(c) subject to the last sentence of this paragraph (c), transfer to the Depository or Depositories for the Reserve Maintenance Fund, in such manner as the Authority shall direct, for deposit to the credit of the Reserve Maintenance Fund an amount to the greatest of (i) \$175,000, (ii) one-twelfth (1/12) of the total amount budgeted for deposit thereto by the Authority in its Annual Budget; provided, however, that if as of any Deposit Date, there shall have been deposited to the credit of the Reserve Maintenance Fund the total amount so budgeted for the fiscal year, no further deposit shall be required pursuant to this clause (ii), and (iii) one-twelfth (1/12) of the amount, if any, calculated as of the last Business Day of the immediately preceding fiscal year necessary in order that the amount deposit in the Reserve Maintenance Fund equals \$4,000,000; provided, however, that the Authority may covenant with the holders of any Subordinate Obligations that the amounts to be deposited pursuant to this paragraph (c) shall be an amount equal to the lesser of (x) the greater of clauses (ii) and (iii) above and (y) clause (i) above and in that event, the amount required to be deposited pursuant to this paragraph ~~clause~~ (c) shall be an amount equal to the lesser of (x) the greater of clauses (ii) and (iii) above and (y) clause (i) above. If, as of any Deposit Date, the amount on deposit in the Reserve Maintenance Fund equals \$4,000,000, the Trustee shall not be required to make the aforementioned deposit.

ARTICLE IV.

MISCELLANEOUS

Section 4.01. **Multiple Counterparts.** This Supplemental Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

Section 4.02. **Headings etc. Not Part of Agreement.** Any headings preceding the texts of the several articles or sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Supplemental Agreement, nor shall they affect its meaning, construction or effect.

Section 4.03. **Controlling Laws.** This Supplemental Agreement is made and entered into under and pursuant to the Constitution and Laws of the State of Delaware and of the State of New Jersey, particularly the Enabling Legislation and the Compact.

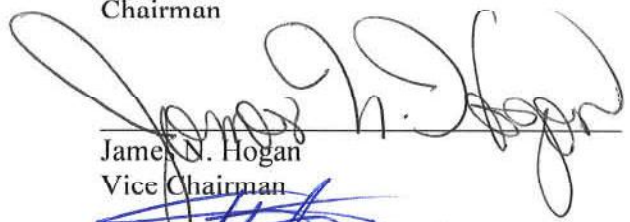
IN WITNESS WHEREOF, The Delaware River and Bay Authority, by its Board of Commissioners as the governing body thereof, has caused this Supplemental Agreement to be executed by the Chairman, the Vice-Chairman and the Assistant Secretary of the Authority under the official and corporate seal of The Delaware River and Bay Authority, and The Bank of New York Mellon Trust Company, N.A., as Trustee has caused this Supplemental Agreement to be executed in its behalf by its Vice President or other Authorized Officer and its corporate seal to be impressed hereon and attested by an Authorized Officer, all as of the day and year first above written.

THE DELAWARE RIVER AND BAY AUTHORITY


By:



Samuel E. Lathem
Chairman



James N. Hogan
Vice Chairman



Stephen D. Williams
Assistant Secretary

[Seal]

[Seal]

Attest:

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Trustee**

Authorized Officer

By:

Vice President/Authorized Officer

IN WITNESS WHEREOF, The Delaware River and Bay Authority, by its Board of Commissioners as the governing body thereof, has caused this Supplemental Agreement to be executed by the Chairman, the Vice-Chairman and the Assistant Secretary of the Authority under the official and corporate seal of The Delaware River and Bay Authority, and The Bank of New York Mellon Trust Company, N.A., as Trustee has caused this Supplemental Agreement to be executed in its behalf by its Vice President or other Authorized Officer and its corporate seal to be impressed hereon and attested by an Authorized Officer, all as of the day and year first above written.

THE DELAWARE RIVER AND BAY AUTHORITY

By:

Samuel E. Lathem
Chairman

James N. Hogan
Vice Chairman

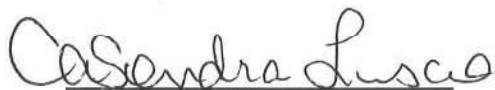
[Seal]

Stephen D. Williams
Assistant Secretary

[Seal]

Attest:

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,**
as Trustee



Cassandra Lusco
Authorized Officer

By:



Vice President/Authorized Officer

Approved as to legality and form:

MORRIS, NICHOLS, ARSHT & TUNNELL LLP



By: TARIK J. HASKINS, ESQ.
Counsel for the Authority

PARKER MCCAY P.A.

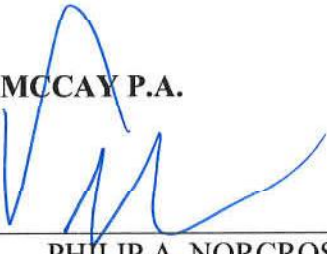
By: PHILIP A. NORCROSS, ESQ.
Counsel for the Authority

Approved as to legality and form:

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

By: TARIK J. HASKINS, ESQ.
Counsel for the Authority

PARKER MCCAY P.A.



By: PHILIP A. NORCROSS, ESQ.
Counsel for the Authority

APPENDIX A

NO. R-

\$ _____

United States of America

THE DELAWARE RIVER AND BAY AUTHORITY

REVENUE BOND, SERIES 2019

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP No.</u>
_____ %	January 1, 20__	September 25, 2019	246317__

Registered Owner: **CEDE & CO.**

Principal Amount: _____ Dollars

The Delaware River and Bay Authority (herein sometimes called the “**Authority**”), a body politic and an agency of government of the State of Delaware and the State of New Jersey, for value received, hereby promises to pay, but solely from the funds provided therefor as hereinafter set forth and in the manner hereinafter provided, to the registered owner hereof named above, or registered assigns on the Maturity Date set forth above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., in East Syracuse, New York (the “**Bond Registrar**”), in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, the Principal Amount set forth above and interest on such Principal Amount from the Dated Date set forth above at the Interest Rate stated above per annum until said Principal Amount is paid, such interest to the maturity hereof being payable semi-annually on the 1st day of January and July in each year, commencing January 1, 2020, solely from such sources, from the date hereof or the January 1 or July 1 next preceding the date on which this Bond is authenticated, unless it is authenticated on January 1 or July 1, in which event from such date, at the Interest Rate set forth above. The interest so payable and punctually paid or duly provided for on any Interest Payment Date will, as provided in the Agreement hereinafter referred to, be paid by wire transfer or by check mailed to the person in whose name this bond (or one or more predecessor bonds, as defined in the Agreement) is registered at the close of business on the regular record date for such interest, which shall be the December 15 or June 15 next preceding any such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such regular record date, and may be paid to the person in whose name this bond (or any predecessor bond) is registered at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee hereinafter referred to, notice whereof being given by the Trustee by mail to the registered owners not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the bonds of this series may be listed and upon such notice as may be required by such exchange, or as more fully

provided in the Agreement. Such payment of interest shall be by wire transfer or by check mailed to the registered owner at such owner's address as it appears on the bond registration books of the Authority maintained by the Bond Registrar and shall be made in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts.

This Bond shall not be deemed to pledge the credit of the State of Delaware or the State of New Jersey or of any agency or political subdivision thereof or to create a debt or liability of the State of Delaware or the State of New Jersey or of any agency or political subdivision thereof. Neither the State of Delaware or the State of New Jersey nor the Authority shall be obligated to pay this bond or the interest or the redemption premium, if any, hereon except from tolls and other revenues and from the funds created under the Agreement, and neither the faith and credit nor the taxing power of the State of Delaware or the State of New Jersey or of any of their political subdivisions is pledged to the payment of the principal of or the interest or the redemption premium, if any, on this bond and the Authority has no power to pledge hereafter the credit or to create any debt or liability of the State of Delaware, of the State of New Jersey or of any other agency or of any political subdivision of said States.

This bond is one of a duly authorized series of revenue bonds of the Authority in an aggregate principal amount of One Hundred Seventy-Two Million Nine Hundred Sixty-Five Thousand Dollars (\$172,965,000), designated as "The Delaware River and Bay Authority Revenue Bonds, Series 2019" (the "**2019 Bonds**"), for the purposes of providing funds for: (i) the costs of various capital projects undertaken or to be undertaken by the Authority; (ii) the refunding of certain outstanding bonds of the Authority; (iii) a deposit into the Debt Service Reserve Fund; and (iv) the payment of the costs associated with the issuance of the 2019 Bonds. The dated date of the 2019 Bonds is September 25, 2019.

All of the bonds are issued under and pursuant to a Trust Agreement, dated as of the 1st day of October, 1993 (the "**Trust Agreement**"), by and between the Authority and Wilmington Trust Company, in the City of Wilmington, Delaware, as the original trustee (the "**Original Trustee**") as supplemented by Supplemental Trust Agreement Numbers 1, 2, 3, 4, 5, 6, 7 and 8 between the Authority and the Original Trustee and as further supplemented by Supplemental Trust Agreement Number 9, dated as of November 1, 2012, by Supplemental Agreement Number 10, dated June 26, 2014, by Supplemental Agreement Number 11, dated as of July 1, 2014, and by Supplemental Agreement Number 12, dated as of September 1, 2019, by and between the Authority and The Bank of New York Trust Company, N.A., as successor Trustee (said The Bank of New York Mellon Trust Company, N.A. and any bank or trust company becoming successor trustee under the Trust Agreement being herein called the "**Trustee**") (said Trust Agreement, together with all such Supplemental Trust Agreements and all other agreements supplemental to said Trust Agreement as therein permitted, being herein called the "**Agreement**"), an executed counterpart of which Agreement is on file at the principal office of the Trustee. Reference is hereby made to the Agreement for the provisions, among others, with respect to the custody and application of the proceeds of bonds issued under the Agreement, the collection and disposition of revenues, the funds charged with and pledged to the payment of the interest on and the principal and premium, if any, of the bonds, the nature and extent of the security, the terms and conditions on which the bonds of each series are or may be

issued, the rights, duties and obligations of the Authority and of the Trustee, Paying Agent, Depositories and Bond Registrar for the bonds and the rights of the registered holders of the bonds, and, by the acceptance of this bond, the registered holder hereof assents to all of the provisions of the Agreement.

Under the Agreement, the Authority has previously issued certain series of its Revenue Bonds, which are payable from the Debt Service Fund (hereinafter mentioned) on a parity with the 2019 Bonds, and any additional series of bonds issued, from time to time, under the conditions, limitations and restrictions set forth in the Agreement, for the purpose of (a) paying all or any part of the cost of or completing payment of the cost of (i) any structure or facility adapted for public use in crossing the Delaware River or the Delaware Bay between the State of Delaware and the State of New Jersey, whether by bridge, tunnel, ferry or other device, and by any vehicle or means of transportation of persons and property, including all approaches and connecting and service routes and appurtenances and equipment relating thereto, or any addition or improvement to, capital program associated with, or any enlargement or replacement of, any part of the Project, the Authority's existing Delaware Memorial Bridge, its Cape May-Lewes ferry system, or any additional crossing (collectively, the Authority's "**Crossing Facilities**"), or any other structure, facility or other enterprise that may be included in, or permitted by, the definition of the term "Crossing" contained in the Compact (hereinafter mentioned) from time to time or (ii) any Additional Facilities (as defined in the Agreement) for the purpose of preventing a loss of Net Revenues (as defined in the Agreement) derived from such Crossing Facilities, provided that such loss of Net Revenues would be the result of an emergency or some unusual or extraordinary occurrence and that the proceeds of such additional series of bonds would not be used for such purpose to the extent that insurance proceeds relating to such an occurrence were then available, and (b) refunding bonds issued under the provisions of the Agreement and other indebtedness of the Authority. In addition, the Agreement provides for the issuance of parity indebtedness as well as subordinate obligations.

This 2019 Bond is issued and the Agreement was made and entered into under and pursuant to the Constitution and laws of the State of Delaware, particularly Chapters 145 and 146, Volume 53, Laws of Delaware, approved by the Governor of the State of Delaware on July 21, 1961 and Chapter 252, Volume 67, Laws of Delaware, approved by the Governor of Delaware on June 28, 1990, and the Constitution and laws of the State of New Jersey, particularly Chapter 66 of the Pamphlet Laws of 1961 of the State of New Jersey, approved by the Governor of the State of New Jersey on June 3, 1951 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 on October 18, 1989, and a compact contained in said Delaware and New Jersey laws and consented to by a Joint Resolution of the Congress of the United States of America, approved September 20, 1962, as amended and consented to by a Joint Resolution of the Congress of the United States of America, approved on November 15, 1990 as the same may be further amended from time to time (collectively referred to herein as the "**Compact**"), and under and pursuant to a resolution duly adopted by the Authority.

The Agreement, in accordance with and as required by the Compact, provides for the fixing, revising, charging and collecting by the Authority of tolls for the use of the Crossing Facilities and for revising such tolls from time to time in order that such tolls and other revenues

of the Crossing Facilities will be sufficient to provide funds to pay the cost of maintaining, repairing and operating the Crossing Facilities to the extent provided in the Agreement and to pay the principal of and the interest on all bonds issued under the Agreement as the same shall become due and payable. The Agreement also provides for the deposit of a sufficient amount of such tolls and other revenues, over and above such cost of maintenance, repair and operation, to the credit of a special fund designated "The Delaware River and Bay Authority Revenue Bonds Debt Service Fund" (herein called the "**Debt Service Fund**"), which fund is pledged to and charged with the payment of the principal of and the interest on all bonds issued under the Agreement.

The 2019 Bonds are issuable as registered bonds without coupons in denominations of \$5,000 or any whole multiple thereof. At the principal office of the Bond Registrar, in the manner and subject to the limitations and conditions provided in the Agreement, 2019 Bonds may be exchanged for an equal aggregate principal amount of bonds of the same series and maturity, of authorized denominations and bearing interest at the same rate.

The transfer of this 2019 Bond is registrable by the registered owner hereof in person or by his attorney or legal representative at the principal corporate trust office of the Bond Registrar but only in the manner and subject to the limitations and conditions provided in the Agreement and upon surrender and cancellation of this bond. Upon any such registration of transfer the Authority shall execute and the Bond Registrar shall authenticate and deliver in exchange for this bond a new bond or bonds registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this bond, of the same series and maturity and bearing interest at the same rate. Neither the Authority nor the Bond Registrar shall be required to make any exchange or to register the transfer of any bond during the fifteen (15) days immediately preceding the date of the Authority's giving notice of redemption or after such bond has been selected for redemption.

The 2019 Bonds of this series at the time outstanding may be redeemed prior to their respective maturities, as described below:

Optional Redemption: On and after January 1, 2029, the 2019 Bonds may be called for redemption prior to maturity at the option of the Authority, from any moneys that may be made available for such purpose, other than moneys set aside in respect of an Interest Requirement, Principal Requirement or Amortization Requirement for other bonds, in whole or in part at any time, and if in part, as the Authority may direct, at par, plus interest accrued to the date fixed for redemption.

For 2019 Term Bond – Amortization Requirements: The 2019 Bonds constituting term bonds shall be subject to redemption prior to maturity at a redemption price equal to the principal amount thereof, plus interest accrued to the date fixed for redemption as follows:

2019 Term Bond due January 1, 2044

<u>Due</u>	<u>January 1</u>	<u>Amortization</u> <u>Requirements</u>
	2040	\$11,500,000
	2041	11,750,000
	2042	12,200,000
	2043	12,750,000
	2044*	13,285,000

* Unamortized principal at stated maturity.

If less than all of the 2019 Bonds of any one maturity shall be called for redemption, the particular 2019 Bonds or portions of registered 2019 Bonds to be redeemed from such maturity shall be selected by lot in such manner as the Trustee deems fair and appropriate as provided in the Agreement.

At least 30 days but no more than 60 days before the redemption date of any 2019 Bonds, a notice of any such redemption will be mailed, first class, postage prepaid, to all registered owners of 2019 Bonds to be redeemed as a whole or in part, but any defect in such notice or the failure so to mail any such notice to the registered owner of any bond shall not affect the validity of the proceedings for the redemption of any other bonds. Such notice shall be given in the name of the Authority, shall identify the 2019 Bonds to be redeemed and, in the case of a partial redemption of any 2019 Bonds, the respective principal amounts thereof to be redeemed, shall specify the redemption date and the Redemption Price (as defined herein), and shall state that on the redemption date the 2019 Bonds called for redemption will be payable at the principal corporate trust office of the Trustee and that from the date of redemption interest will cease to accrue. The Trustee shall use CUSIP numbers (if then generally in use) in notices of redemption as a convenience to bond owners, provided that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the 2019 Bonds or as contained in any notice of redemption and that reliance may be placed only on the identification numbers prefixed "R-" printed on the 2019 Bonds. Failure to mail any notice of redemption, or any defect therein, or in the mailing thereof, with respect to any Bond shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption. On the date fixed for redemption, notice having been mailed in the manner provided in the Agreement, the 2019 Bonds or portions thereof called for redemption shall be due and payable at par, plus accrued interest to such date. If a portion of this 2019 Bond shall be called for redemption, a new 2019 Bond or Bonds in principal amount equal to the unredeemed portion hereof, of the same maturity and bearing interest at the same rate will be issued to the registered owner upon the surrender hereof.

Any notice of optional redemption of the 2019 Bonds may state that it is conditioned upon there being available on the redemption date an amount of money sufficient to pay the redemption price, consisting of par and the applicable redemption premium, if any, plus interest accrued and unpaid to the redemption date (the "**Redemption Price**"), and any conditional notice so given may be rescinded at any time to and including the redemption date if such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is

given due to an insufficient amount of funds on deposit with the Trustee to pay the Redemption Price, the corresponding notice of redemption shall be deemed to have been revoked *nunc pro tunc*.

If the Authority gives an unconditional notice of redemption, then on the redemption date the 2019 Bonds called for redemption will become due and payable at the Redemption Price. If the Authority gives a conditional notice of redemption and money to pay the Redemption Price of the affected 2019 Bonds shall have been set aside in escrow with the Trustee for the purpose of paying such 2019 Bonds, then on the redemption date the 2019 Bonds so called for redemption shall become due and payable. In either case, if on the redemption date the Trustee holds money to pay the Redemption Price of the 2019 Bonds called for redemption, thereafter, no interest will accrue on those 2019 Bonds, and a Bondholder's right will be to receive payment of the Redemption Price upon surrender of its 2019 Bonds so called for redemption.

The registered holder of this 2019 Bond shall have no right to enforce the provisions of the Agreement or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Agreement, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Agreement.

In certain events, on the conditions, in the manner and with the effect set forth in the Agreement, the principal of all the bonds then outstanding under the Agreement may become or may be declared due and payable before the stated maturities thereof, together with the interest accrued thereon.

Modifications or alterations of the Agreement or of any agreement supplemental thereto may be made by the Authority and the Trustee only to the extent and in the circumstances permitted by the Agreement.

All acts, conditions and things required by the constitutions and laws of the State of Delaware and the State of New Jersey and the Compact to happen, exist and be performed precedent to and in the issuance of this bond and the execution of the Agreement have happened, exist and have been performed as so required.

This 2019 Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Agreement until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, The Delaware River and Bay Authority, by its Board of Commissioners as the governing body thereof, has caused this bond to bear the manual or facsimile signatures of the Chairman, the Vice-Chairman and the Assistant Secretary of the Authority, and a facsimile of the official and corporate seal of said Authority to be imprinted hereon, all as of the 25th day of September, 2019.

Samuel E. Lathem
Chairman
The Delaware River and Bay Authority

James N. Hogan
Vice Chairman
The Delaware River and Bay Authority

ATTEST:

Stephen D. Williams
Assistant Secretary
The Delaware River and Bay Authority

(SEAL)

(To be endorsed on all bonds)

CERTIFICATE OF AUTHENTICATION

This Bond is one of the 2019 Bonds of the series designated therein and issued under the provisions of the within-mentioned Agreement.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.
as Bond Registrar

By: _____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Please insert social security or
other identifying Number of assignee

(Please Print or Typewrite Name and Address of Transferee)

the within bond, and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed* by: _____

*Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee which requirements will include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

APPENDIX B

Sources & Uses of Funds for 2019 Bonds

Closing Date – September 25, 2019

<u>Sources of Funds</u>	<u>Total</u>
2019 Bonds	\$ 172,965,000.00
Plus: Original Issue Premium	25,881,039.75
Contribution from Authority	
Series 2008 Debt Service Fund	19,102.63
TOTAL SOURCES	<u>\$198,865,142.38</u>

<u>Uses of Funds</u>	
Deposit to Capital Projects Fund	\$ 162,142,755.93
Deposit to Special Escrow Fund.....	30,036,000.00
Deposit to Debt Service Reserve Fund	5,672,272.26
Costs of Issuance.....	491,607.65
Underwriter's Discount.....	522,506.54
TOTAL USES	<u>\$ 198,865,142.38</u>

APPENDIX C

Redemption Instructions to 2008 Paying Agent Regarding the Currently Refunded 2008 Bonds and the Paying Agent's Acknowledgment and Acceptance

\$172,965,000
THE DELAWARE RIVER AND BAY AUTHORITY
Revenue Bonds, Series 2019
dated September 25, 2019

REDEMPTION INSTRUCTIONS TO TRUSTEE
REGARDING REFUNDED BONDS AND
TRUSTEE'S ACKNOWLEDGMENT AND ACCEPTANCE

September 25, 2019

The Bank of New York Mellon Trust Company, N.A.,
as 2008 Bonds Paying Agent
Woodland Park, New Jersey

Ladies and Gentlemen:

The Delaware River and Bay Authority (the “**Authority**”) hereby certifies to The Bank of New York Mellon Trust Company, N.A., Woodland Park, New Jersey, as Paying Agent (the “**2008 Bonds Paying Agent**” or the “**Bank**”) for the Authority’s Revenue Bonds, Refunding Series 2008 (the “**2008 Bonds**”), that the Authority has called for redemption on September 25, 2019 (the “**Redemption Date**”), all the outstanding 2008 Bonds as indicated on **Exhibit A** attached hereto (the “**Refunded 2008 Bonds**”), and in accordance with the provisions of the 2008 Bonds. The payment of the principal of and interest on the 2008 Bonds has been secured by and payable initially from drawings under an irrevocable, direct-pay letter of credit (the “**Letter of Credit**”) issued by TD Bank, N.A. (the “**Letter of Credit Bank**”), pursuant to the terms of a Reimbursement Agreement dated as of December 1, 2008 (the “**Reimbursement Agreement**”) between the Authority and the Letter of Credit Bank.

In order to effectuate the redemption of the Refunded 2008 Bonds on the Redemption Date, you are hereby instructed to draw on the Letter of Credit for the full redemption price of the 2008 Bonds together with interest accrued to the Redemption Date. The reimbursement obligation of the Authority to the Letter of Credit Bank under the Reimbursement Agreement will be paid with a portion of the proceeds of the Authority’s \$172,965,000 principal amount of Revenue Bonds, Series 2019 (the “**2019 Bonds**”).

The Authority hereby certifies that the sum of \$30,018,353.42, as calculated by the Authority’s financial advisor, Brown Advisory, LLC, Baltimore, Maryland, and underwriter, J.P. Morgan Securities LLC, and confirmed by the Bank, is the amount necessary to provide for the timely reimbursement of the Letter of Credit draw on the Redemption Date.

The Authority understands that you have already given a conditional notice of redemption on August 26, 2019, which date is not less than 15 days nor more than 60 days prior to the Redemption Date by first class mail, postage prepaid, to each registered owner of the Refunded 2008 Bonds at the address of such registered owner as it appears on your registration books.

You have been directed to release \$19,102.63 from the Debt Service Fund, which has been set aside for payment of interest on the 2008 Bonds, for the purpose of reimbursing the 2008 Letter of Credit Bank for a portion of the Letter of Credit draw constituting a portion of the accrued interest due on the Refunded 2008 Bonds to their redemption date. In addition, we deliver to you herewith the sum of \$30,016,897.37 of proceeds from the 2019 Bonds, all of which shall be held by your Bank in trust exclusively for the benefit of the Letter of Credit Bank to reimburse it for the amounts drawn under the Letter of Credit for the redemption of the Refunded 2008 Bonds. Please acknowledge receipt of \$30,036,000 and deposit said sum in the special escrow fund (the "**2008 Bonds Escrow Fund**") created pursuant to the Supplemental Trust Agreement Number 12 dated as of September 1, 2019 between the Authority and your Bank to be held in trust exclusively for the benefit of the Letter of Credit Bank to reimburse it upon the complete payment of the redemption price of the 2008 Bonds by a draw on the Letter of Credit. Any amounts remaining in the 2008 Bond Escrow Fund on September 26, 2019 shall be transferred to the Debt Service Fund for the 2019 Bonds to which such excess is related to, and be applied to pay the Interest Requirement and/or Principal Requirement next due on said Bonds.

The Authority hereby irrevocably pledges for the payment of the reimbursement obligation to the Letter of Credit Bank upon payment of the redemption price by a draw on the Letter of Credit. The Authority hereby irrevocably directs you as 2008 Bonds Paying Agent, and you hereby agree, to apply said funds so deposited to reimburse the Letter of Credit Bank for the Letter of Credit draw to effectuate the payment of such principal and interest payable on the Refunded 2008 Bonds as and when the same become due and payable at redemption on the Redemption Date.

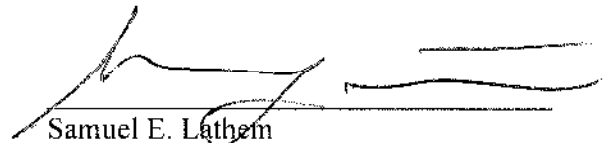
In fulfilling its obligations as 2008 Bonds Paying Agent hereunder, the Bank shall be entitled to all of the rights, protections, privileges and immunities accorded to it as Trustee pursuant to Article IX of the Trust Agreement. In addition, under no circumstances shall the 2008 Bonds Paying Agent be obligated to risk or expend its own funds hereunder.

[Remainder of page intentionally left blank.]

Kindly acknowledge receipt of the above instructions.

**THE DELAWARE RIVER AND BAY
AUTHORITY**

By:

A handwritten signature in dark ink, appearing to read "Samuel E. Lathem", is written over a horizontal line.

Samuel E. Lathem
Chairman

We hereby acknowledge receipt of the foregoing Redemption Instructions and the sum of \$30,018,353.42, which you have advised us, and which we have confirmed, represents the amount necessary to provide for the timely reimbursement of the Letter of Credit draw to the Letter of Credit Bank for the payment of the principal and interest payable on the Refunded 2008 Bonds being called for redemption on September 25, 2019.

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,**
as 2008 Bonds Paying Agent

By:



Authorized Officer

Dated: September 25, 2019

EXHIBIT A

Refunded 2008 Bonds

<u>Maturity Date</u>	Par Amount of 2008 Bonds Refunded from <u>2019 Bonds</u>	<u>Rate</u>	Original CUSIP Number (Base 246317)	<u>Redemption Price</u>
January 1, 2030	\$30,000,000	VR	DY4	100%

Schedule 1

Refunded 2008 Bonds

<u>Maturity Date</u>	Par Amount of 2008 Bonds Refunded from <u>2019 Bonds</u>	<u>Rate</u>	Original CUSIP Number (Base 246317)	<u>Redemption Price</u>
January 1, 2030	\$30,000,000	VR	DY4	100%

THE DELAWARE RIVER AND BAY AUTHORITY

\$172,965,000
Revenue Bonds, Series 2019

Dated September 25, 2019

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated September 25, 2019 (including any amendments or supplements hereto, the **“Disclosure Agreement”**) is executed and delivered by The Delaware River and Bay Authority (as more fully defined below, the **“Issuer”**) in connection with the issuance of the above-captioned bonds (collectively, the **“2019 Bonds”**). The Issuer, intending to be legally bound, hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Holders from time-to-time of the Bonds (as defined below) and in order to assist the Participating Underwriters (as defined below) in complying with the Rule (as defined below).

Section 2. Definitions. In this Disclosure Agreement and any agreement supplemental hereto (except as otherwise expressly provided or unless the context clearly otherwise requires), the following capitalized terms shall have the meanings specified below:

“Additional Bonds” shall mean any indebtedness of the Issuer issued subsequent to the 2019 Bonds which the Issuer has declared in writing to be covered by this Disclosure Agreement. No such written declaration shall be considered an amendment to this Disclosure Agreement for purposes of Section 9 hereof.

“Annual Filing Date” shall mean no later than first (1st) day of the eighth (8th) calendar month immediately following the end of the Issuer's fiscal year.

“Annual Financial Information” shall mean the Issuer's audited financial statements and Comprehensive Annual Financial Report for the most recently completed fiscal year and annual updates of the financial information and operating data provided in the following Sections or subsections of the Official Statement for the 2019 Bonds:

<u>Item</u>	<u>Official Statement Page Reference</u>
1. “Operations of the Authority” – total workforce under “Employment” and “Pensions and Other Post-Employment Benefits (“OPEB”)”	16-17
2. “The Delaware Memorial Bridge – Toll Structure”	18-19
3. “The Delaware Memorial Bridge – Historical	20-21

Traffic & Revenue”	
4. “Cape May-Lewes Ferry – Rate Structure”	21-22
5. “Cape May-Lewes Ferry – Historical Traffic and Revenue”	23
6. “HISTORICAL AND PROJECTED REVENUES, EXPENDITURES AND OPERATING RESULTS OF THE AUTHORITY” (three fiscal year table including debt service coverage ratio)	24
7. “Management’s Discussion of Authority’s Operating Results - Operating Expenses”	25

“**Annual Report**” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“**Bonds**” shall mean the 2019 Bonds and Additional Bonds, if any.

“**Business Day**” shall mean any day on which the Issuer is open for business.

“**Dissemination Agent**” shall mean any agent of the Issuer designated in writing by the Issuer which has filed with the Issuer a written acceptance of such designation.

“**EMMA**” shall mean the Electronic Municipal Market Access System maintained by the MSRB at <http://emma.msrb.org/>, which serves as the sole nationally recognized municipal securities information repository under the Rule.

“**Financial Obligation**” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“**Holder**” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“**Issuer**” shall mean The Delaware River and Bay Authority, a body politic and an agency of government of the State of Delaware and the State of New Jersey, or any successor Obligated Person that assumes either by operation by law or by contract both (i) the obligation to pay debt service on the Bonds and (ii) the obligations of the Issuer under this Disclosure Agreement.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board, or any successor organization.

“Notice Event” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“Obligated Person” shall have the meaning set forth in the Rule, provided that the sole objective criteria used to select the Obligated Person shall be the entity obligated to repay all debt service with respect to the relevant Bonds.

“Official Statement” shall mean the final Official Statement dated September 12, 2019 relating to the 2019 Bonds or any official statement pertaining to a series of Additional Bonds, as applicable.

“Participating Underwriter” shall mean any of the original underwriters of any series of Bonds required to comply with the Rule in connection with offering of such Bonds.

“Repository” shall mean each nationally recognized municipal securities information repository under the Rule. **As of the date hereof, the Securities and Exchange Commission has appointed the MSRB through EMMA to act as the sole Repository.** Any information filed in connection with this Disclosure Agreement shall be filed with EMMA at <http://emma.msrb.org/> and any future Repository as may be required under the Rule.

“Rule” shall mean Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as heretofore amended, and as such Rule may be hereafter amended from time-to-time.

Section 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than the Annual Filing Date, provide to the MSRB via EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent, if any. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided however that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide the Annual Report to the Repository by the date required in subsection (a), a Notice Event pursuant to Section 5(a)(17) shall be deemed to have occurred and the Issuer shall file notice thereof in accordance with the provisions of Section 5(b) hereof.

(c) The Dissemination Agent, if any, shall: (i) determine each year prior to the Annual Filing Date the name and address of each Repository; and (ii) file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing each Repository to which it was provided.

(d) Audited financial statements of the Issuer not submitted as part of the Annual Report shall be provided to the Repository, if and when available to the Issuer, and in any event not more than thirty (30) days after receipt thereof from the Issuer's auditors. In the event that audited financial statements are not submitted as part of the Annual Report, the Issuer shall provide in lieu thereof, when available, unaudited financial statements for the relevant fiscal year.

(e) The Issuer shall promptly provide written notice of any change in its fiscal year to the MSRB and to each Repository.

Section 4. Content of Annual Reports.

(a) The Issuer's Annual Report shall contain or incorporate by reference the Annual Financial Information including audited financial statements with respect to the relevant fiscal year.

(b) Any or all of the items listed as Annual Financial Information may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to any Repository or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(c) If any Annual Financial Information can no longer be generated because the operations to which such information relates have been materially changed or discontinued, a statement to that effect shall satisfy the obligations of the Issuer under this Section 4, provided however that the Issuer shall, to the greatest extent feasible, provide in lieu thereof similar information with respect to any substitute or replacement operations.

Section 5. Reporting of Notice Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non payment-related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of Holders, if material;
8. Bond calls (other than mandatory sinking fund redemptions), if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of any Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer (for the purposes of the event identified in this subsection 5(a)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer);
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material;

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer, any of which reflect financial difficulties; and
17. Failure to provide Annual Financial Information as required.

(b) Upon the occurrence of a Notice Event, the Issuer shall file, or cause the Dissemination Agent, if any, to file, a notice of such occurrence with the MSRB via EMMMA in a timely manner not in excess of ten (10) Business Days after the occurrence of the Notice Event.

Section 6. Accounting Standards. The financial statements described in Section 4(a) above shall be audited in accordance with both (a) generally accepted accounting principles applicable in the preparation of financial statements of the Issuer as promulgated by the Financial Accounting Standards Board, the Governmental Accounting Standards Board, or such other body recognized as authoritative by the American Institute of Certified Public Accountants or any successor body, as applicable (“GAAP”), and (b) applicable federal and state auditing statutes, regulations, standards and/or guidelines. The Issuer may from time-to-time modify its accounting principles to the extent necessary or desirable to comply with changes in either GAAP or applicable federal and state statutes, regulations, standards and/or guidelines. Any such modification of accounting standards or principles to conform to changes in either GAAP or applicable federal or state auditing statutes, regulations, standards or guidelines shall not constitute an amendment to this Disclosure Agreement within the meaning of Section 9 hereof, but such modifications shall be disclosed in the first Annual Report to be provided subsequent to such modifications.

Section 7. Termination of Reporting Obligation. The Issuer’s obligations under this Disclosure Agreement shall terminate upon: (a) the legal defeasance, prior redemption or payment in full of all of the Bonds; (b) upon repeal or rescission of Section (b)(5) of the Rule; (c) upon a final determination that Section (b)(5) of the Rule is invalid or unenforceable; or (d) the assumption by a successor Obligated Person of all of the obligations of the Issuer, as an Obligated Person, both hereunder and under the Bonds. The Issuer shall provide timely written notice to each Repository of any termination of its obligations hereunder.

Section 8. Dissemination Agent. The Issuer may, from time-to-time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such agent, with or without appointing a successor Dissemination Agent.

Section 9. Amendments. (a) Notwithstanding any other provision of this Disclosure Agreement, the Issuer may modify or amend this Disclosure Agreement, provided that no such amendment or modification shall be effective unless:

(i) the modification or amendment is being made in connection with a change of circumstances that arises from a change in legal requirements, change in law, change in the identity, nature or status of the Issuer, or change in the type of business conducted by the Issuer;

(ii) this Disclosure Agreement, as amended, would have qualified as the written undertaking contemplated by the Rule at the time of original issuance of the relevant Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) the modification or amendment does not materially impair the interests of Holders, as determined either by a party unaffiliated with the Issuer (such as the paying agent/trustee or nationally recognized bond counsel) or by an approving vote of a majority of Holders.

(b) Notwithstanding the foregoing, an amendment or modification shall be effective if permitted by the Rule.

(c) Evidence of compliance with the conditions set forth in clause (a) of this Section 9 shall be satisfied by the delivery to the Issuer of an opinion of counsel having recognized experience and skill in the issuance of municipal securities and federal securities law to the effect that the amendment or waiver satisfies the conditions set forth in clauses (a)(1), (2), and (3) of this Section 9 or subsection (b) of this Section 9.

(d) The Issuer shall report any modification or amendment of this Disclosure Agreement as required by the Rule. To the extent required by the Rule, the Issuer shall include as a component of the first Annual Report to be provided subsequent to the relevant amendment, a copy of the amendment, together with a notice explaining in narrative form both (i) the reasons for the amendment and (ii) the impact of the change in the type of operating data or financial information being provided. To the extent required by the Rule, if the amendment relates to changes in accounting principles to be followed in preparing financial statements, the first Annual Report to be provided subsequent to the relevant amendment shall also include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles and a qualitative (and to the extent reasonably feasible, quantitative) discussion of the differences in the accounting principles and the impact of the change in the accounting principles upon the presentation of the financial information. Written notice of any such change in accounting principles shall be provided in a timely fashion to each Repository.

(e) Neither a supplement to this Disclosure Agreement to declare that it is applicable to Additional Bonds or a modification of accounting principles or standards pursuant to Section 6 shall be considered an amendment for purposes of this Section 9.

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including disclaimers or any other information in any Annual Report or notice of occurrence of a Notice Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Notice Event in addition to that which is specifically required by this Disclosure Agreement, the

Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Notice Event.

Section 11. Submission of Information to the MSRB. The information required to be disclosed pursuant to this Disclosure Agreement shall be submitted to the MSRB through EMMA. Subject to future changes in submission rules and regulations, such submissions shall be provided to the MSRB, through EMMA, in portable document format (“PDF”) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. Such PDF files shall be word-searchable (allowing the user to search for specific terms used within the document through a search or find function available in a software package).

Subject to future changes in submission rules and regulations, at the time that such information is submitted through EMMA, the Issuer, or any Dissemination Agent engaged by the Issuer, shall also provide to the MSRB information necessary to accurately identify the category of information being provided and other identifying descriptions required by MSRB rules and regulations.

Section 12. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the paying agent/trustee, any Participating Underwriter or any Holder may take such actions as may be necessary and appropriate, including seeking a writ of mandamus or specific performance by court order to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Bonds or any document relating to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action to compel performance; provided however that nothing herein shall limit any Holder’s rights under applicable federal securities law.

Section 13. Severability. In case any section or provision of this Disclosure Agreement or any covenant, stipulation, obligation, agreement, or action, or any part thereof, made, assumed, entered into or taken under this Disclosure Agreement, or any application thereof, is for any reason held to be illegal or invalid or is at any time inoperable, such illegality, invalidity or inoperability shall not affect the remainder thereof or any other section or provision or the Disclosure Agreement, or any other covenant, stipulation, obligation, agreement, act or action, or part thereof, made, assumed, entered into or taken under this Disclosure Agreement, which shall at the time by construed and enforced as if such illegal or invalid or inoperable portion were not contained therein.

Section 14. Entire Agreement. This Disclosure Agreement contains the entire agreement of the Issuer with respect to the subject matter hereof and supersedes all prior arrangements and understandings with respect thereto, provided however that this Disclosure Agreement shall be interpreted and construed with reference to and in pari materia with the Rule.

Section 15. Captions. The captions or headings herein shall be solely for convenience of reference and shall in no way define, limit or describe the scope or intent of any provisions or sections hereof.

Section 16. Beneficiaries. This Disclosure Agreement is being entered into solely for the benefit of the Participating Underwriters and Holders from time-to-time of the Bonds, and nothing in this Disclosure Agreement expressed or implied is intended to or shall be construed to give to any other person or entity any legal or equitable right, remedy or claim under or in respect of this Disclosure Agreement or any covenants, conditions or provisions contained herein.

Section 17. Governing Law. This Disclosure Agreement shall be deemed to be a contract made under the laws of the State of Delaware, and all provisions hereof shall be governed and construed in accordance with the laws of the State of Delaware, without reference to the choice of law principles thereof.

IN WITNESS WHEREOF, the Delaware River and Bay Authority, has caused this Disclosure Agreement to be duly executed as of the day and year first above written.

**THE DELAWARE RIVER AND BAY
AUTHORITY**

By: _____

Chairman

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 4, 2019

New Issue-Book-Entry-Only

RATINGS: See "Ratings" herein

In the opinion of Bond Counsel, interest on the Series 2019 Bonds (as defined hereafter) is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions, subject to the condition described in "TAX MATTERS" herein and interest on the Series 2019 Bonds is not treated as an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of the federal alternative minimum tax. Under the Compact between the State of Delaware and the State of New Jersey, the Series 2019 Bonds, their transfer and the interest paid thereon or income therefrom (including any profits made on the sale or exchange thereof) shall at all times be free from taxation by the State of Delaware and the State of New Jersey, or any political subdivisions thereof, but such exemption does not extend to estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the Series 2019 Bonds or the income therefrom. For a more complete discussion, see "TAX MATTERS" herein.



\$172,965,000*

**THE DELAWARE RIVER AND BAY AUTHORITY
Revenue Bonds, Series 2019**

Dated: Date of Delivery

**Due: January 1,
as set forth on the inside front cover**

This Official Statement has been prepared by The Delaware River and Bay Authority (the "Authority") to provide information relating to the Authority, its operations and its Revenue Bonds, Series 2019, described herein in the aggregate principal amount of \$172,965,000* (the "Series 2019 Bonds").

The Series 2019 Bonds are being issued pursuant to and secured by a Trust Agreement, dated as of October 1, 1993, as supplemented, between the Authority and The Bank of New York Mellon Trust Company, N.A., Woodland Park, New Jersey, as successor Trustee (as so supplemented, the "Trust Agreement"). The proceeds of the Series 2019 Bonds will be used for the purpose of: (i) financing a portion of the costs of certain Additional Facilities within the Authority's current Five-Year Capital Plan; (ii) current refunding the Authority's Revenue Bonds, Refunding Series 2008; (iii) funding a deposit to the Debt Service Reserve Fund; and (iv) paying the costs incurred in connection with the issuance of the Series 2019 Bonds. Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Trust Agreement.

Interest on the Series 2019 Bonds will be payable semi-annually on each January 1 and July 1, commencing January 1, 2020, until maturity or earlier redemption. The Series 2019 Bonds will bear interest at the rates shown on the inside front cover, calculated on the basis of a year of 360 days consisting of twelve 30-day months.

The Series 2019 Bonds are subject to redemption prior to maturity, as more fully described herein.

The Series 2019 Bonds are issuable as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Series 2019 Bonds. Purchases of beneficial ownership interests will be made in book-entry only form. Purchasers ("Beneficial Owners") will not receive definitive Series 2019 Bonds. So long as Cede & Co., as nominee of DTC, is the Bondholder, references herein to Bondholders or registered owners will mean Cede & Co. and will not mean the Beneficial Owners of the Series 2019 Bonds. See "DESCRIPTION OF THE SERIES 2019 BONDS – Book-Entry Only System." The Series 2019 Bonds will be available to purchasers in denominations of \$5,000 or any integral multiple thereof.

IT IS A CONDITION TO SUBMISSION OF AN ORDER FOR THE PURCHASE OF SERIES 2019 BONDS DURING THE ORDER PERIOD FOR THE PURCHASER OF A BENEFICIAL INTEREST TO CONSENT TO CERTAIN AMENDMENTS TO THE TRUST AGREEMENT, IN THE MANNER DESCRIBED HEREIN. See "SPRINGING AMENDMENTS TO THE TRUST AGREEMENT" and APPENDIX G – "FORM OF BONDHOLDER CONSENT TO TRUST AGREEMENT AMENDMENTS" herein. After the order period, consent to such amendments is requested in the form attached as APPENDIX G but is not required as a condition to purchase.

The principal of and redemption premium, if any, and interest on the Series 2019 Bonds will be payable under the Trust Agreement solely from the Revenues of the Authority's Crossing Facilities, subject to the prior provision for the Current Expenses associated with such Crossing Facilities, as described herein.

THE SERIES 2019 BONDS ARE LIMITED REVENUE OBLIGATIONS OF THE AUTHORITY. THE SERIES 2019 BONDS SHALL NOT BE DEEMED TO PLEDGE THE CREDIT OF THE STATE OF DELAWARE OR THE STATE OF NEW JERSEY OR OF ANY AGENCY OR POLITICAL SUBDIVISION THEREOF OR TO CREATE A DEBT OR LIABILITY OF THE STATE OF DELAWARE OR THE STATE OF NEW JERSEY OR OF ANY AGENCY OR POLITICAL SUBDIVISION THEREOF, BUT WILL BE PAYABLE SOLELY FROM THE REVENUES OF THE AUTHORITY PLEDGED FOR THEIR PAYMENT AS PROVIDED IN THE TRUST AGREEMENT. THE AUTHORITY HAS NO TAXING POWER.

This cover contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the Appendices attached hereto, to obtain information essential to their making an informed investment decision. For a discussion of certain factors that could affect the sufficiency of the Revenues of the Crossing Facilities to meet debt service payments on the Series 2019 Bonds, see "CERTAIN RISK FACTORS" herein.

The Series 2019 Bonds are offered for delivery when, as and if issued and received by the Underwriters, subject to the approval of their legality by Saul Ewing Arnstein & Lehr LLP, Wilmington, Delaware. Bond Counsel. Certain legal matters will be passed upon for the Underwriters by Cozen O'Connor, Philadelphia, Pennsylvania and Wilmington, Delaware. Certain legal matters will be passed upon for the Authority by Morris, Nichols, Arshat & Tunnell LLP, Wilmington, Delaware, Delaware Counsel, and Parker McCay P.A., Mount Laurel, New Jersey, New Jersey Counsel. The Series 2019 Bonds are expected to be delivered through the facilities of DTC, New York, New York on or about September __, 2019.

J.P. Morgan

Citigroup

Dated: September __, 2019

* Preliminary, subject to change.

\$172,965,000*
THE DELAWARE RIVER AND BAY AUTHORITY
Revenue Bonds, Series 2019

Maturity Dates, Principal Amounts, Interest Rates, Yields, Prices and CUSIP Numbers*

<u>DUE</u> <u>JANUARY 1</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>	<u>YIELD</u>	<u>PRICE</u>	<u>CUSIP</u> <u>NUMBERS**</u>
2027	\$1,500,000				
2028	800,000				
2029	11,700,000				
2030	14,265,000				
2031	7,605,000				
2032	7,985,000				
2033	8,380,000				
2034	8,800,000				
2035	9,240,000				
2036	9,705,000				
2037	10,090,000				
2038	10,495,000				
2039	10,915,000				

\$61,485,000* ____ % Term Bonds due January 1, 2044; Price: ____ %;
Yield: ____ %; CUSIP Number**:

* Preliminary, subject to change.

** CUSIP is a registered trademark of the American Bankers Association. The CUSIP numbers in this Official Statement are provided by CUSIP Global Services LLC, managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw-Hill Financial, Inc. The CUSIP numbers listed are being provided solely for the convenience of the bondholders only at the time of issuance of the Series 2019 Bonds and none of the Authority or the Underwriters make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future.

THE DELAWARE RIVER AND BAY AUTHORITY

COMMISSIONERS

Delaware

Samuel E. Lathem, Chairperson
Crystal L. Carey, Esq.
Henry J. Decker
Veronica O. Faust
James L. Ford, III
Michael Ratchford

New Jersey

James N. Hogan, Vice Chairperson
James Bennett
Sheila McCann
Ceil Smith
M. Earl Ransome
Shirley R. Wilson

SENIOR MANAGEMENT

Thomas J. Cook, Executive Director
Stephen D. Williams, Deputy Executive Director
Victor A. Ferzetti, Chief Financial Officer

PROFESSIONAL ADVISORS

DELAWARE COUNSEL

Morris, Nichols, Arsh & Tunnell LLP
Wilmington, Delaware

NEW JERSEY COUNSEL

Parker McCay P.A.
Mount Laurel, New Jersey

AUDITORS

CliftonLarsonAllen LLP
Plymouth Meeting, Pennsylvania

TRANSPORTATION CONSULTANT

CDM Smith
Boston, Massachusetts

BOND COUNSEL

Saul Ewing Arnstein & Lehr LLP
Wilmington, Delaware

FINANCIAL ADVISOR

Brown Advisory, LLC
Baltimore, Maryland

CONSULTING ENGINEERS

HNTB Corporation
New York, New York

TRUSTEE

The Bank of New York Mellon Trust Company, N.A.
Woodland Park, New Jersey

WSP USA, Inc.
New York, New York

This Official Statement does not constitute an offering of any security other than the Series 2019 Bonds specifically offered hereby. No dealer, broker, salesman or other person has been authorized by The Delaware River and Bay Authority (the "Authority") or the Underwriters to give any information or to make any representation other than as contained in this Official Statement, and if given or made, the information or representation must not be relied upon as having been authorized by either of the foregoing. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2019 Bonds by any person in any jurisdiction in which it is unlawful for the person to make an offer, solicitation or sale. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their responsibilities under, the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy and completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the affairs of the Authority since the date hereof. This Official Statement is submitted in connection with the sale of the Series 2019 Bonds and may not be reproduced or used, in whole or in part, for any other purpose.

Certain statements contained in this Official Statement may be forward-looking statements, which are based on the beliefs of the Authority and Transportation Consultant, as applicable, as well as assumptions made by, and information currently available to, the Transportation Consultant and the Authority's staff and officers. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. The words "anticipate," "assume," "estimate," "expect," "objective," "projection," "forecast," "goal," "budget," or similar words are intended to identify forward-looking statements. The words or phrases "to date," "now," "currently," and the like are intended to mean as of the date of this Official Statement.

This Official Statement, including the Appendices attached hereto, must be considered in its entirety. The offering of the Series 2019 Bonds is made only by means of this entire Official Statement.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2019 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT MAY STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2019 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

THE SERIES 2019 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE TRUST AGREEMENT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2019 BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE SERIES 2019 BONDS HAVE BEEN REGISTERED OR, QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. THE SERIES 2019 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY STATE OR FEDERAL SECURITIES COMMISSION OR OTHER REGULATORY AGENCY NOR HAVE ANY OF THE FOREGOING PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT

\$172,965,000*

The Delaware River and Bay Authority Revenue Bonds, Series 2019

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, inside cover and the Appendices attached hereto, is to set forth certain information concerning The Delaware River and Bay Authority (the "Authority"), its operations and the Revenue Bonds, Series 2019, issued in the aggregate principal amount of \$172,965,000* (the "Series 2019 Bonds"). The Authority, a body politic and an agency of government of the State of Delaware and the State of New Jersey (each a "State"), was created in 1962 by a compact between these two States with the consent of the Congress of the United States of America ("Congress") and approval of the President of the United States of America (the "Original Compact") for the purpose of providing crossings of the Delaware River and the Delaware Bay between the two States, and to undertake transportation and terminal facilities, and performance of such other functions as may be approved by the two States and consented to by Congress. The Original Compact was amended in 1990 (as so amended, herein called the "Compact") for the purpose of authorizing the Authority to undertake certain commerce facilities and developments within the State of Delaware or in the State of New Jersey counties of Cape May, Cumberland, Gloucester and Salem. The Authority's principal operations are the twin spans of The Delaware Memorial Bridge and the Cape May-Lewes Ferry. See "CROSSING FACILITIES OF THE AUTHORITY." Additional information regarding the Authority is included in the Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2018, attached as APPENDIX B hereto.

The Series 2019 Bonds will be issued pursuant to the Compact and a Trust Agreement, dated as of October 1, 1993 (the "Original Trust Agreement"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., Woodland Park, New Jersey, as successor Trustee (the "Trustee"), as previously supplemented, and as shall be further supplemented by Supplemental Trust Agreement Number 12, dated as of September 1, 2019 (the Original Trust Agreement, as supplemented, is hereinafter referred to as the "Trust Agreement"). Capitalized words and terms used in this Official Statement and not defined herein (or by express reference to another document), if defined in the Trust Agreement, have the same meanings herein as are ascribed to such words and terms in the Trust Agreement. See APPENDIX D "Definitions of Certain Terms and Summary of Certain Provisions of the Trust Agreement" for a summary of certain definitions and provisions of the Trust Agreement.

Immediately prior to the issuance of the Series 2019 Bonds, there will be Outstanding under the Trust Agreement \$30,000,000 principal amount of Revenue Bonds, Refunding Series 2008 (the "Series 2008 Bonds"), \$58,635,000 principal amount of Revenue Bonds, Series 2012A (the "Series 2012A Bonds"), \$38,020,000 principal amount of Revenue Bonds, Refunding Series 2012B (the "Series 2012B Bonds," and together with the Series 2012A Bonds, the "Series 2012 Bonds"), \$72,000,000 principal amount of Revenue Bonds, Series 2014A (the "Series 2014A Bonds"), \$20,810,000 principal amount of Revenue Bonds, Refunding Series 2014B (the "Series 2014B Bonds"), and \$93,215,000 principal amount of Revenue Bonds, Refunding Series 2014C (the "Series 2014C Bonds," and together with the Series 2014A Bonds and the Series 2014B Bonds, the "Series 2014 Bonds").

The proceeds of the Series 2019 Bonds will be applied to finance certain capital improvements and refund all of the Series 2008 Bonds. See "PLAN OF FINANCE." The Series 2019 Bonds will be

* Preliminary, subject to change.

secured on a parity with the Outstanding Series 2012 Bonds, Series 2014 Bonds and any Additional Bonds which may be issued by the Authority pursuant to the Trust Agreement. Bonds Outstanding from time to time under the Trust Agreement, including the Series 2012 Bonds, Series 2014 Bonds, Series 2019 Bonds and any Additional Bonds, are herein sometimes referred to as the "Bonds."

The Series 2019 Bonds are authorized to be issued by Resolution 19-31 (the "Resolution"), adopted by the Authority on August 13, 2019. The period during which the Governor of each State may veto the Resolution has expired.

This Official Statement, including the Appendices hereto, includes, among other topics, a description of the Authority's Five-Year Capital Plan (defined within) and annual Capital Program (defined within), the facilities of the Authority, powers, responsibilities and operating results of the Authority, the security for the Series 2019 Bonds and the terms of the Series 2019 Bonds.

APPENDIX A sets forth a report of CDM Smith, Boston, Massachusetts, the Authority's Transportation Consultant, dated August 21, 2019 (the "Transportation Consultant's Report"), which provides an analysis of use, tolls and gross revenues with respect to the Bridge (as hereinafter defined) and which sets forth certain forecasts. See also "HISTORICAL AND PROJECTED REVENUES, EXPENDITURES AND OPERATING RESULTS OF THE AUTHORITY – Summary of Toll Revenue Forecast Prepared by the Transportation Consultant" and "–Summary of Projected Net Revenues and Debt Service Coverage of the Crossing Facilities". APPENDIX B attached hereto is the Authority's Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2018. APPENDIX C contains letters from the Authority's Consulting Engineers. APPENDIX D provides a summary of certain definitions and provisions of the Trust Agreement. APPENDIX E sets forth the form of the Authority's Continuing Disclosure Agreement. APPENDIX F sets forth the proposed form of opinion of Bond Counsel to be delivered in connection with the issuance of the Series 2019 Bonds. APPENDIX G sets forth the form of Bondholder consent to certain springing amendments to the Trust Agreement. Certain information relating to The Depository Trust Company ("DTC") and the book-entry only system has been furnished by DTC. References herein to the Compact, the Trust Agreement and the Series 2019 Bonds do not purport to be complete. Copies of the Compact and the Trust Agreement are available without charge upon request to the Authority.

PLAN OF FINANCE

Purpose of the Series 2019 Bonds

The Series 2019 Bonds will be issued to provide funds to: (i) finance a portion of the costs of certain Additional Facilities within the Authority's current Five-Year Capital Plan (the "Capital Projects"); (ii) currently refund all of the Series 2008 Bonds in the aggregate principal amount of \$30,000,000 (the "Refunding Project"); (iii) fund a deposit to the Debt Service Reserve Fund; and (iv) pay the costs of issuance of the Series 2019 Bonds.

Refunding Project

Upon delivery and issuance of the Series 2019 Bonds by the Authority, the Trustee will draw upon the irrevocable, direct-pay letter of credit (the "Letter of Credit") issued by TD Bank, N.A. (the "Bank") in an amount sufficient to pay the principal of and accrued interest on the Series 2008 Bonds to provide for the current refunding and redemption of the Series 2008 Bonds on the redemption date, which redemption date will be the date of issuance and delivery of the Series 2019 Bonds (the "Redemption Date"). On the Redemption Date, a portion of the proceeds of the Series 2019 Bonds will be applied, together with other available funds, if any, to reimburse the Bank in full for the draw on the Letter of

Credit. Upon such reimbursement in full, the Letter of Credit will be terminated in accordance with its terms.

Amendments Pursuant to the Trust Agreement

Supplemental Trust Agreement Number 12 includes certain amendments to the Trust Agreement. See APPENDIX G – “Form of Bondholder Consent to Trust Agreement Amendments” which sets forth the full proposed amendments to the Trust Agreement (the “Springing Amendments”). Each of the Springing Amendments requires the consent of the holders of a majority in principal amount of the Outstanding Bonds. IT IS A CONDITION TO SUBMISSION OF AN ORDER FOR THE PURCHASE OF SERIES 2019 BONDS DURING THE ORDER PERIOD FOR THE PURCHASER OF A BENEFICIAL INTEREST TO CONSENT TO SUCH SPRINGING AMENDMENTS. SEE APPENDIX G FOR THE FORM OF THE REQUIRED BONDHOLDER CONSENT TO SUCH SPRINGING AMENDMENTS. See also “SPRINGING AMENDMENTS TO THE TRUST AGREEMENT” herein.

Capital Projects

A portion of the proceeds of the Series 2019 Bonds will be deposited in the Construction Fund held by one or more Depositaries under the Trust Agreement and will be applied, together with interest earnings thereon, to pay the costs of Additional Facilities contained in the upcoming three (3) years of the Authority’s current Five-Year Capital Plan. Said Additional Facilities relate to The Delaware Memorial Bridge and the Cape May-Lewes Ferry operations. The following is a list of notable capital projects anticipated to be funded, in whole or in part, with proceeds of the Series 2019 Bonds:

The Delaware Memorial Bridge

Coatings/Painting.....	\$37,200,000
Steelwork Repairs.....	29,000,000
Ship Collision Protection System.....	21,700,000
Deck Replacement.....	20,000,000
Suspender Rope Replacement.....	<u>14,700,000</u>
TOTAL	<u>\$122,600,000</u>

Cape May-Lewes Ferry

Vessel Maintenance/Drydocking.....	\$16,300,000
Terminal Utility Upgrades.....	10,300,000
Approach Roads – Cape May.....	7,100,000
Main Engine Repower.....	<u>5,800,000</u>
TOTAL	<u>\$39,500,000</u>

See "CAPITAL FINANCING NEEDS OF AUTHORITY" for a discussion of the Authority's current Five-Year Capital Plan and annual Capital Improvement Program.

Estimated Sources and Uses of Funds

The following table summarizes the estimated sources and uses of funds, including the Series 2019 Bond proceeds.

<u>Sources of Funds</u>	
Series 2019 Bonds	\$
[Net] Original Issue [Premium/Discount]	
Available Funds under the Trust Agreement.....	
TOTAL	\$
<u>Uses of Funds</u>	
Deposit to Construction Fund for Authority's Capital Projects	\$
Refunding of the Series 2008 Bonds	
Deposit to Debt Service Reserve Fund.....	
Costs of Issuance ¹	
TOTAL	\$

¹ Includes underwriters' discount, legal fees and other costs.

DESCRIPTION OF THE SERIES 2019 BONDS

The following is a summary of certain provisions of the Series 2019 Bonds. Reference is made to the Series 2019 Bonds for the complete text thereof and to the Trust Agreement for all of the provisions relating to the Series 2019 Bonds. The discussion herein is qualified by such reference. See also APPENDIX D, "Definitions of Certain Terms and Summary of Certain Provisions of the Trust Agreement."

General Description

The Series 2019 Bonds are to be issued in the total aggregate principal amount of \$172,965,000*. The Series 2019 Bonds are dated and bear interest, payable semi-annually on each January 1 and July 1, commencing January 1, 2020 (each an "Interest Payment Date"), at the rate or rates per annum and shall mature, all as set forth on the inside cover page of this Official Statement.

The Series 2019 Bonds will be issued as fully registered bonds and, when issued, will be registered in the name of and held by Cede & Co., as nominee for DTC. Purchases of beneficial interests in the Series 2019 Bonds will be made in book-entry form (without certificates) in the denomination of \$5,000 or any whole multiple thereof.

The Series 2019 Bonds will be payable as to principal upon presentation and surrender thereof to the Trustee at the designated corporate trust agency office of Trustee in East Syracuse, New York. So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2019 Bonds, payments of the principal of an interest on the Series 2019 Bonds are to be made by the Trustee directly to Cede & Co.

* Preliminary, subject to change.

and references herein to the holders or registered owners of the Series 2019 Bonds shall mean Cede & Co., as aforesaid, and shall not mean the beneficial owners of the Series 2019 Bonds. See "DESCRIPTION OF THE SERIES 2019 BONDS – Book-Entry Only System."

Interest on the Series 2019 Bonds will be computed on the basis of a 360-day year composed of twelve 30-day months.

Principal of and premium, if any, and interest on the Series 2019 Bonds will be paid by the Trustee. Principal is payable upon presentation of the Series 2019 Bonds by the holders thereof as the Series 2019 Bonds become due and payable. Except as otherwise provided in the Trust Agreement, interest on the Series 2019 Bonds will be payable on each Interest Payment Date by the Trustee by wire transfer or check mailed on the date on which interest is due to the holders of the Series 2019 Bonds at the close of business on the Regular Record Date in respect of such Interest Payment Date to the registered addresses of such holders as they appear on the registration books maintained by the Trustee. The Regular Record Date with respect to any Interest Payment Date for the Series 2019 Bonds is the fifteenth (15th) day (whether or not a business day) of the calendar month immediately preceding such Interest Payment Date. Notwithstanding the foregoing, so long as records of ownership of the Series 2019 Bonds are maintained through the Book-Entry System described below, all payments to the Beneficial Owners (as defined herein) of such Series 2019 Bonds will be made in accordance with the procedures described below under "- Book-Entry Only System."

Redemption

Optional Redemption. The Series 2019 Bonds are subject to redemption prior to maturity at the option of the Authority on and after January 1, 20__ as a whole or in part (and if in part, as directed by the Authority) at any time and from time to time, at a redemption price equal to 100% of the principal amount of such Series 2019 Bonds or portions thereof to be redeemed together with accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The Series 2019 Bonds maturing on January 1, 2044* will be redeemed in part on January 1 in each year listed below, commencing January 1, 2040*, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the redemption date, in the principal amount set forth below next to such year:

<u>Year</u> *	<u>Amount</u>
2040	\$
2041	
2042	
2043	
2044†	

†Final maturity

In the case of any optional redemption of Series 2019 Bonds subject to mandatory sinking fund redemption, the Series 2019 Bonds optionally redeemed will be credited by the Trustee against the current amortization requirements with respect to such Series 2019 Bonds and any excess over the current amortization requirement will be credited against future amortization requirements of Series 2019 Bonds with the same maturity date in such manner as the Authority shall determine.

* Preliminary, subject to change.

Partial Redemption. If less than all of the Series 2019 Bonds of any one maturity shall be called for redemption, the particular Series 2019 Bonds to be redeemed from such maturity shall be selected by lot in such manner as the Trustee deems fair and appropriate as provided in the Trust Agreement.

Notice of Redemption. Notice of redemption shall be given by the Trustee by first class mail, postage prepaid, not less than 30 days but not more than 60 days before the redemption date, to the registered owners of any Series 2019 Bonds or portions of such Bonds which are to be redeemed, at their last addresses appearing on the Bond registry books. So long as DTC is the registered owner of the Series 2019 Bonds, this notice is required to be mailed by the Trustee to DTC only. Any failure of DTC to mail such notice to any Participant will not affect the validity of the redemption with respect to the Series 2019 Bonds. Any notice so mailed shall be conclusively presumed to have been duly given whether or not the registered owner of the Series 2019 Bonds to be redeemed receives the notice. Each such notice will set forth the Series 2019 Bonds or portions thereof to be redeemed, the date for such redemption, the redemption price to be paid, and if less than all the Series 2019 Bonds will be called for redemption, the maturities of the Series 2019 Bonds to be redeemed and shall otherwise comply with Securities Exchange Act of 1934 Release No. 34-23856, including the requirement that notice be given to all organizations registered with the Securities and Exchange Commission as securities depositories, and to at least two information services of national recognition which disseminate redemption information with respect to tax exempt securities.

Any notice of optional redemption of callable Series 2019 Bonds may state that it is conditioned upon there being available on the redemption date an amount of money sufficient to pay the redemption price, consisting of par and the applicable redemption premium, if any, plus interest accrued and unpaid to the redemption date (the "Redemption Price"), and any conditional notice so given may be rescinded at any time to and including the redemption date if such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds on deposit with the Trustee to pay the Redemption Price, the corresponding notice of redemption will be deemed to have been revoked.

Any Series 2019 Bonds and portions of Series 2019 Bonds which have been duly selected for redemption and which are paid in accordance with the Trust Agreement will cease to bear interest on the specified redemption date.

Book-Entry Only System¹

DTC will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2019 Bond will be issued for the Series 2019 Bonds of each maturity and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfer and pledges between Direct Participants' accounts. This eliminates the need for physical movement of

¹ Source: The Depository Trust Company

securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2019 Bonds, except in the event that use of the book-entry system for the Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2019 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2019 Bonds, such as redemptions, defaults, and proposed amendments to the security documents. Beneficial Owners of the Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2019 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority or Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those

Direct Participants to whose accounts the Series 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, interest and redemption premium, if any, on the Series 2019 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption premium, if any, to Cede & Co. (or to such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2019 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, definitive Series 2019 Bonds will be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, definitive Series 2019 Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority and the Underwriters believe to be reliable, but neither the Authority nor the Underwriters take any responsibility for the accuracy thereof.

NONE OF THE AUTHORITY, THE TRUSTEE, OR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DIRECT OR INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR SUCH DIRECT OR INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2019 BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2019 BONDS (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2019 BONDS.

SECURITY FOR THE SERIES 2019 BONDS

General

The Trust Agreement governs the issuance of Bonds and makes provision for the security therefor. Under the Trust Agreement, the Authority must provide monthly from its Revenues derived from its Crossing Facilities for the payment of Current Expenses and principal of and interest on the Bonds and reserves therefor and for partial funding for the Reserve Maintenance Fund (all relating exclusively to Crossing Facilities) prior to encumbering or expending such Revenues for non-Crossing Facilities. The Authority's toll covenant under the Trust Agreement requires that the Authority set its toll

rates for the Crossing Facilities to at least cover in each fiscal year the Current Expenses of its Crossing Facilities and 125% of scheduled net debt service on its Bonds as further described under "Toll Covenant" herein. Under the Trust Agreement, the Authority may issue Bonds only for Crossing Facilities. The Authority may also incur Subordinate Obligations, and expend funds credited to its Subordinate Obligations Fund, and encumber and expend funds credited to its General Fund, for Crossing Facilities or non-Crossing Facilities. To date, the Authority has not issued any Subordinate Obligations. Income derived by the Authority from non-Crossing Facilities is not included in "Revenues", is not pledged to the payment of debt service on the Bonds and may be pledged to obligations in respect of non-Crossing Facilities. See "CROSSING FACILITIES OF THE AUTHORITY" and "FACILITIES OTHER THAN CROSSING FACILITIES."

Limited Obligations; Revenues

The Bonds will be payable under the Trust Agreement from and secured by a pledge and assignment of: (i) the Authority's Revenues (subject to the limitation described below), which consist of the revenues derived by the Authority from its ownership and operation of all Crossing Facilities (currently The Delaware Memorial Bridge, the Cape May - Lewes Ferry and the Forts Ferry Crossing (formerly known as the Delaware City - Salem Ferry and the Three Forts Ferry)); (ii) funds held by the Trustee in the Debt Service Fund and the Debt Service Reserve Fund; (iii) funds held by the Trustee or a Depositary (until withdrawn in accordance with the provisions of the Trust Agreement) in the Construction Fund, the Revenue Fund, the Reserve Maintenance Fund and the General Fund; and (iv) investment earnings on certain funds of the Authority. The Trust Agreement provides that Revenues may be applied each month to the payment of the Authority's Current Expenses related to the Crossing Facilities and creation of an operating reserve up to 15% of the amount shown for Current Expenses in the current Annual Budget, prior to the provision for the payment of debt service with respect to Authority Bonds. See APPENDIX D - "Summary of Certain Provisions of the Trust Agreement - Flow of Funds."

Application of Revenues

The Trust Agreement creates the following funds:

- (a) Construction Fund held by one or more Depositaries;
- (b) Revenue Fund held by one or more Depositaries;
- (c) Debt Service Fund held by the Trustee;
- (d) Debt Service Reserve Fund held the by Trustee;
- (e) Reserve Maintenance Fund held by one or more Depositaries;
- (f) Subordinate Obligations Fund held as may be provided by Supplemental Agreement; and
- (g) General Fund held by one or more Depositaries.

The Trust Agreement provides that Revenues will be collected and deposited daily, as far as practicable, in the Revenue Fund.

The Trust Agreement provides that out of the moneys in the Revenue Fund, the Authority will pay amounts required for Current Expenses and also will retain in the Revenue Fund reasonable and necessary reserves for Current Expenses of the Crossing Facilities (not in excess of 15% of the amount shown for Current Expenses in the current Annual Budget). On the 25th day of each month, the

Depository or Depositories will be directed to withdraw from the Revenue Fund and transfer to the Trustee an amount equal to all the funds held in the Revenue Fund as of the last day of the preceding month in excess of the above described amounts. The Trustee will deposit or transfer such funds in the following order:

(a) to the Debt Service Fund so much of the Principal and Interest Requirements on the Bonds as would accrue during the then current month;

(b) to the Debt Service Reserve Fund any amount necessary to make the amount held therein equal to the Debt Service Reserve Fund Requirement (unless the deficiency therein was caused by a transfer to fund a deficiency in the Debt Service Fund, in which case the amount to be deposited will equal 1/6th of the amount of such deficiency);

(c) to the Depository or Depositories for deposit to the Reserve Maintenance Fund an amount equal to the greatest of (i) \$175,000, (ii) 1/12 of the amount budgeted for deposit therein in the then current Annual Budget, and (iii) 1/12 of the amount, if any, calculated as of the last Business Day of the preceding fiscal year necessary to make the total amount on deposit therein equal \$4,000,000; provided, however, that the Authority may covenant with the holders of any Subordinate Obligations that the amounts to be deposited will be the lesser of (x) the greater of clause (ii) or (iii) above and (y) clause (i) above;

(d) as directed by the Authority for deposit to the Subordinate Obligations Fund any amount required to be deposited therein in accordance with the provisions of a Supplemental Agreement or other agreement of the Authority relating to the issuance of and security for Subordinate Obligations;

(e) in the event the Authority covenants to deposit an amount equal to the lesser of (x) the greater of clause (ii) or (iii) and (y) clause (i) pursuant to paragraph (c) above, to the Depository or Depositories for deposit to the Reserve Maintenance Fund an amount equal to such amount, if any, as may be necessary to make the total amount deposited in such month equal to the amount that would have been deposited if such election had not been made; and

(f) to the Depository or Depositories for deposit to the General Fund, the balance, if any, remaining after making the deposits set forth above.

Toll Covenant

The Trust Agreement provides that the Authority will at all times fix, revise, charge and collect such tolls and other charges for traffic using the Crossing Facilities in order to provide an amount of Net Revenues (the excess of Revenues over Current Expenses during any particular period) in each fiscal year equal to not less than the greater of: (i) 125% of the Principal and Interest Requirements for such fiscal year on account of all Bonds then Outstanding; and (ii) 100% of the sum in such fiscal year of (A) any deficiency in the amount required to be on deposit in the Debt Service Reserve Fund, (B) the Principal and Interest Requirements for such fiscal year on account of all Bonds Outstanding, and (C) the required deposits to the Reserve Maintenance Fund for such fiscal year as described in clause (c), but not (e), under the subheading "Application of Revenues" above. The Trust Agreement contains special rules applicable to the calculation of the Principal and Interest Requirements on the Bonds where such Bonds are issued in the form of Derivative Indebtedness, Optional Tender Bonds and Variable Rate Bonds. See APPENDIX D – "Summary of Certain Provisions of the Trust Agreement - Covenants as to Tolls" and "Definitions of Certain Terms - Interest Requirement" and "- Principal Requirement."

The Trust Agreement provides that if the schedules of tolls then in effect for traffic using the Crossing Facilities are not producing Net Revenues sufficient to satisfy the requirements described in the preceding paragraph in any fiscal year, the Authority is to request a Consulting Engineer to make recommendations as to a revision of the schedules of tolls in order to produce the maximum amount of Net Revenues possible and, upon receiving such recommendations, it is to revise such schedules of tolls in order to produce the maximum amount of Net Revenues possible (but no higher than necessary to produce Net Revenues which would satisfy the requirements described in the preceding paragraph).

Debt Service Reserve Fund

The Debt Service Reserve Fund Requirement is an amount equal to the least of: (i) the maximum amount of the Principal and Interest Requirements for any fiscal year on Outstanding Bonds; (ii) 125% of the average annual Principal and Interest Requirements on Outstanding Bonds; and (iii) the sum of 10% of the proceeds of each Series of Bonds. Upon the issuance of the Series 2019 Bonds, an amount will be on deposit in the Debt Service Reserve Fund established under the Trust Agreement at least equal to the Debt Service Reserve Fund Requirement (after giving effect to the issuance of the Series 2019 Bonds and the refunding of the Series 2008 Bonds). Upon the issuance of the Series 2019 Bonds, the Debt Service Reserve Fund Requirement will be equal to \$ _____. Moneys in the Debt Service Reserve Fund will be disbursed and expended by the Trustee for the payment of the principal of and redemption premium, if any, and interest on all Outstanding Bonds if sufficient funds therefor are not available in the Debt Service Fund.

Any portion or all of the Debt Service Reserve Fund Requirement may be fulfilled by the deposit of a surety bond, insurance policy, or letter of credit to the Debt Service Reserve Fund. See APPENDIX D – “Summary of Certain Provisions of the Trust Agreement - Use of Moneys in the Debt Service Reserve Fund.”

Additional Bonds

Under the Trust Agreement, the Authority may issue Additional Bonds secured on a parity with other Outstanding Bonds to finance the cost of any Additional Facilities. “Additional Facilities” are defined to include any Additional Crossing or any additions or improvements to, capital projects associated with, or an enlargement or replacement of, any part of the Crossing Facilities. Additional Bonds may not be issued under the Trust Agreement to finance transportation or terminal facilities or commerce projects and developments. Except as described in the next paragraph, Additional Bonds may only be issued if the Net Revenues for any 12 consecutive months of the last 18 months divided by the maximum Principal and Interest Requirements for any fiscal year thereafter on all Outstanding Bonds (including the Additional Bonds) is not less than 1.20; provided that, if any adjustments of rates, fees, tolls and other charges had been put into effect during or after the end of such twelve month period, such Net Revenues will be adjusted to reflect Revenues which a Consulting Engineer estimates would have resulted had the adjustment been in effect for the entire 12-month period selected. The Series 2019 Bonds are being issued under the provision described in the preceding sentence. The proposed Springing Amendments would modify the additional bonds test set forth in this paragraph if such amendments become effective. See “SPRINGING AMENDMENTS TO THE TRUST AGREEMENT” and APPENDIX G – “Form of Bondholder Consent to Trust Agreement Amendments” herein.

Additional Bonds may be issued without meeting the requirements of the preceding paragraph for the purpose of paying all or any part of the cost of any Additional Facilities in order to prevent a loss of Net Revenues resulting from an emergency or some unusual or extraordinary occurrence; provided that the proceeds of such Additional Bonds may not be used for such purpose to the extent that insurance proceeds relating to such occurrence are then available.

Additional Bonds which constitute Refunding Bonds under the Trust Agreement may be issued to refund any Bonds, Subordinate Obligations or other Indebtedness (provided such Subordinate Obligations or other Indebtedness was originally issued or incurred with respect to Additional Facilities) if the Principal and Interest Requirements for any fiscal year on the Outstanding Bonds, after the issuance of such Refunding Bonds and the provision for payment of the Bonds to be refunded, if any, will not exceed the maximum Principal and Interest Requirements (employing certain methods of calculation set forth in the Trust Agreement with respect to Derivative Indebtedness, Optional Tender Bonds and Variable Rate Bonds) for any such fiscal year on all Outstanding Bonds prior to the issuance of the Refunding Bonds. Refunding Bonds which result in an increase in the maximum Principal and Interest Requirements on Outstanding Bonds (such as where Refunding Bonds refund Subordinate Obligations or other Indebtedness) may nevertheless be issued if the coverage test described in the second preceding paragraph is satisfied. See APPENDIX D – “Summary of Certain Provisions of the Trust Agreement - Additional Bonds” and “- Refunding Bonds.”

Subordinate Obligations

The Authority may issue Subordinate Obligations pursuant to the Trust Agreement in order to finance Crossing Facilities or for any other lawful purpose, including commerce facilities and developments and transportation and terminal facilities. Subordinate Obligations will be payable, in whole or in part, from and may be secured by a pledge of any amounts in the Subordinate Obligations Fund as may from time to time be available therefor, including the revenues produced by any commerce facilities and developments and transportation and terminal facilities. The payment of debt service and other requirements with respect to Subordinate Obligations will be subordinate and junior in all respects to the pledge and lien created under the Trust Agreement as security for the Bonds, except that Subordinate Obligations will have a first lien on any amounts held in the Subordinate Obligations Fund. The Authority has no Outstanding Subordinate Obligations. See APPENDIX D – “Summary of Certain Provisions of the Trust Agreement - Subordinate Obligations.”

Credit of States Not Pledged

ONLY THE REVENUES AND OTHER FUNDS HELD PURSUANT TO THE TRUST AGREEMENT AS DESCRIBED IN THE PRECEDING PARAGRAPHS ARE PLEDGED AS SECURITY FOR THE BONDS. NEITHER THE CREDIT OF THE STATE OF DELAWARE NOR THE STATE OF NEW JERSEY NOR OF ANY AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO SECURE PAYMENT OF THE BONDS, AND THE BONDS DO NOT CREATE A DEBT OR LIABILITY OF THE STATE OF DELAWARE OR THE STATE OF NEW JERSEY OR OF ANY AGENCY OR POLITICAL SUBDIVISION THEREOF. THE AUTHORITY HAS NO TAXING POWER.

DEBT SERVICE REQUIREMENTS

The following table presents Debt Service Requirements for the Authority's currently Outstanding Bonds, prior to the issuance of the Series 2019 Bonds:

Year Ending (December 31) ⁽¹⁾	Outstanding Debt Service ⁽²⁾	Series 2019 Bonds		Total Debt Service
		Principal	Interest	
2019	\$26,201,381	\$	\$	\$
2020	26,203,381			
2021	26,206,131			
2022	26,053,131			
2023	26,050,631			
2024	26,684,881			
2025	26,687,381			
2026	26,685,781			
2027	26,685,931			
2028	26,681,881			
2029	28,763,481			
2030	17,567,981			
2031	17,569,731			
2032	17,561,243			
2033	13,216,868			
2034	14,121,368			
2035	14,122,912			
2036	14,120,643			
2037	14,123,856			
2038	14,121,475			
2039	13,017,750			
2040	13,012,500			
2041	13,016,000			
2042	7,976,500			
2043	<u>7,974,750</u>			
Total:	<u>\$484,427,575</u>	\$	\$	\$

(1) Assumes payments due on January 1 are paid on the preceding December 31. Totals may not add due to rounding.

(2) Assumes that the variable rate Series 2008 Bonds bear interest at an interest rate of 4.5%. It is anticipated that the Series 2008 Bonds will be refunded with a portion of the proceeds of the Series 2019 Bonds. Interest is computed based upon a 360-day year consisting of twelve 30-day months and assumed to be paid on a semi-annual basis.

THE DELAWARE RIVER AND BAY AUTHORITY

General

The Authority was established in 1962 by a compact between the State of Delaware and the State of New Jersey with the consent of the Congress of the United States of America. The compact was supplemented and amended in 1990 upon the enactment of 67 Laws of Delaware, Chapter 252; Pamphlet Law 1989, Chapter 192 of the Laws of New Jersey; and House Joint Resolution No. 657 of the 101st Congress which was approved by the President of the United States of America on November 15, 1990 (Public Law 101-565) (as so supplemented and amended, the "Compact"). The Compact provides that the Authority is a body politic and an agency of the government of both States.

The Compact specifies that the Authority will consist of twelve (12) Commissioners, six (6) of whom must be residents of and qualified to vote in, and must be appointed from, the State of Delaware, and six (6) of whom must be residents of and qualified to vote in, and must be appointed from, the State of New Jersey Counties of Cumberland, Cape May, Salem and Gloucester. Commissioners are appointed by the Governor of their State with the advice and consent of the Senate and hold office for terms of five (5) years and until their successors have been appointed and qualified. They do not receive compensation for their service to the Authority. No action of the Authority is valid unless approved by at least four (4) Commissioners from each State. The Governor of each State has the right to cancel the vote of any one or more of the Commissioners from his or her State within ten (10) business days after receipt of the minutes of the meeting at which the vote is taken.

The Resolution was adopted by the Authority on August 13, 2019 and the period during which the Governor of each State may veto the Resolution has expired.

The present members of the Authority, the years of their respective initial appointments to the Authority, and the years of expiration of their respective terms of office, are set out below.

<u>New Jersey</u>	<u>Year of Initial Appointment</u>	<u>Expiration of Term (July 1)</u>	<u>Delaware</u>	<u>Year of Initial Appointment</u>	<u>Expiration of Term (July 1)</u>
Samuel E. Lathem, Chairperson	2001	2020	James N. Hogan, Vice Chairperson	2006	2021
Crystal L. Carey, Esq.	2015	2023	James Bennett	2016	2020
Henry J. Decker	2017	2021	Sheila McCann	2017	2018*
Veronica O. Faust, Esq.	2019	2022	Ceil Smith	2006	2019*
James L. Ford, III	2014	2022	M. Earl Ransome	2018	2022
Michael Ratchford	2017	2019*	Shirley R. Wilson	2012	2021

*Indicates holdover appointment

The Authority was created for the public purposes of operating crossings of the Delaware River or Bay between the States of Delaware and New Jersey and developing transportation or terminal

facilities in Delaware and the New Jersey Counties of Cape May, Cumberland, Gloucester and Salem. The Authority owns and operates the twin spans of The Delaware Memorial Bridge, the Cape May - Lewes Ferry and the Forts Ferry Crossing. The first span of The Delaware Memorial Bridge was constructed by the State of Delaware and operated by agencies thereof until 1962 when legislation was enacted transferring control of the bridge to the Authority. The second span was constructed by the Authority and opened in 1968. The Cape May - Lewes Ferry was established in 1964 and currently operates three ferries between and maintains terminal facilities in Cape May, New Jersey and Lewes, Delaware. In 1997, the Authority began operating the Forts Ferry Crossing (formerly known as the Delaware City - Salem Ferry and the Three Forts Ferry) which provides water transportation service to various destination points located in Delaware and New Jersey. See "CROSSING FACILITIES OF THE AUTHORITY" herein. The 1990 amendment of the Compact expanded the public purposes of the Authority to include within its powers the financing and operation of commerce facilities and developments, and expanded the authorized use of toll revenue to pay the costs of transportation and terminal facilities, and commerce facilities and developments. See "FACILITIES OTHER THAN CROSSING FACILITIES."

Management of the Authority

The following persons comprise the principal managerial staff of the Authority:

Thomas J. Cook, Executive Director since January, 2017. As Executive Director, Mr. Cook has overall management responsibility for the Authority's staff and facilities. Mr. Cook previously served for 8 years as Delaware's Secretary of Finance in Governor Jack Markell's administration, where he was one of the major architects responsible for updating Delaware's corporate tax laws to incentivize businesses to locate to Delaware. Mr. Cook also served as Deputy Secretary of Finance, Government Information Center Manager and State Election Commissioner during his 25 years of state government service. Mr. Cook is a graduate of the University of Delaware with a degree in accounting.

Stephen D. Williams, Deputy Executive Director since January, 2018, is responsible for economic development projects, internal and external communications, community outreach and governance matters and serves as the Assistant Board Secretary. Mr. Williams also serves as the Director of Airports for the Authority. He spent 11 years as the airport manager of Republic Airport in Farmingdale, Long Island, New York. He is a graduate of City College of New York with a Bachelor of Arts degree in political science and holds a Master of Business Administration in Aviation Management from Dowling College. He has also completed certificate courses in Airport Planning and Design from the Polytechnic Institute of New York and Airport Systems, Planning and Design from the University of California – Berkeley.

Victor Ferzetti, Chief Financial Officer since January, 2005. Mr. Ferzetti is responsible for financial operations and transactions, property management, procurements and contractual matters of the Authority. Mr. Ferzetti has been with the Authority since 1993. He has a Bachelor of Science in Business Administration from Geneva College and a Master of Science in Public Administration from Widener University.

Powers of the Authority

The Compact grants the Authority broad general powers to effectuate its public purposes of planning, financing, developing, maintaining and operating crossings, transportation or terminal facilities, and commerce facilities or developments. The Authority is specifically empowered to borrow money, to issue bonds, and to refund debt. The Authority may pledge tolls and other revenues as security for its borrowings.

With respect to Bondholders, the Compact provides that neither State will diminish or impair the power of the Authority to levy and collect tolls pledged to secure bonds and that the Authority will retain the exclusive franchise to operate crossings between Delaware and New Jersey. The Authority does not have the power to pledge the credit of either State or any of their political subdivisions. The Authority has no taxing power.

Authority to Charge Tolls

Under the Compact, the Authority is required to impose tolls sufficient to meet the combined expenses of operation, to pay debt service and to provide reserves. Although the power of the Authority to levy and collect tolls for the use of its Crossing Facilities is not limited by the Compact, such power is limited by the federal statute requiring that tolls with respect to bridges crossing navigable waters of the United States be “just and reasonable”, as codified at 33 U.S.C.A. §508. The Second Delaware Bridge Act approved July 13, 1946 (60 Stat. 553), as amended, also requires the Authority to fix and adjust tolls so as to provide funds sufficient to operate and maintain Crossing Facilities, to construct Crossing Facilities, to pay debt service on bonds issued to construct Crossing Facilities, to provide necessary reserves and to pay the costs of any Authorized Facilities.

Operations of the Authority

Main Operations. The Delaware Memorial Bridge handles approximately 36 million vehicles per year. Bridge personnel are primarily involved in toll collection and maintenance. Tolls are paid by vehicles traveling from New Jersey to Delaware. The Bridge toll facilities operate 24 hours a day, 365 days a year.

The Cape May - Lewes Ferry transports approximately 303,000 vehicles and 718,000 passengers each year. Marine personnel operate up to three vessels year round. The Cape May and Lewes terminals are supported with customer service and maintenance personnel. The Authority also provides food and retail services to ferry patrons.

The Authority maintains its own police department. The department is responsible for the security of all Authority facilities. The police force is nationally accredited and has general jurisdiction in Delaware and the New Jersey Counties of Cumberland, Cape May, Salem and Gloucester.

Employment. The Authority’s total workforce is composed of approximately 415 authorized full-time positions, and casual positions are utilized as required by traffic volume.

Approximately 55 Authority employees at the Cape May-Lewes Ferry System are members of the Marine Engineers’ Beneficial Association (MEBA). The most recent collective bargaining agreement expires on December 31, 2022.

Approximately 119 employees in maintenance, tolls, food service, police dispatch and airports are members of Local 542 International Operating Engineers, AFL-CIO (IOE). The most recent collective bargaining agreement expires on December 31, 2022.

Approximately 44 Authority employees in security are members of Lodge #14 of the Fraternal Order of Police (FOP). The most recent collective bargaining agreement expires on December 31, 2022.

The Authority believes it maintains a positive relationship with its bargaining and non-bargaining employees.

Pensions and Other Post-Employment Benefits (“OPEB”).

The Authority maintains a single employer defined benefit pension plan for approximately 917 active, terminated vested and retired employees. As of January 1, 2018, the most recent actuarial valuation, the accrued liability for benefit was \$140.8 million with assets of \$120.1 million (actuarial value), resulting in a funded ratio of 85.3%. As of January 1, 2018, the funded ratio for the Authority’s pension plan was 92.9% on a market value of assets basis. The Authority has historically funded 100% of its annual required contribution (the “ARC”) and intends to continue this practice. Based upon the Authority’s actuarial valuation report as of January 1, 2018, the ARC for the 2018 fiscal year was approximately \$4.9 million and is approximately \$5.2 million for the 2019 fiscal year. The Authority uses 7.25% per annum as its assumed investment return except for certain retirees for whom a 3.75% return is used.

The Authority provides medical, life insurance, dental and vision benefits to employees who have retired from the Authority. In 2008, the Authority adopted a 5-year-phase in policy toward funding a newly created OPEB fund, which incrementally increased to 100% funding of the ARC in 2012. Beginning in 2012, the Authority has funded 100% of the ARC for OPEB and intends to continue this practice. The OPEB valuation is required to be performed every two years — as of January 1, 2018, the OPEB fund valuation was approximately \$132.2 million of actuarial accrued liabilities against an actuarial value of assets of \$77.6 million or nearly 59% funding. The market value of the OPEB assets at December 31, 2018 was approximately \$76.9 million. The ARC for OPEB for the Authority’s 2016 fiscal year was approximately \$10.2 million. The ARC for OPEB for the 2019 fiscal year is approximately \$6.8 million. The Authority uses 7.25% per annum as its assumed investment return on plan assets.

Additional information concerning the Pension and OPEB funds can be found in the notes section of the Authority’s Comprehensive Annual Financial Report. See APPENDIX B – “Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2018.”

Insurance. The Authority currently maintains various policies with limits that Authority management, after consultation with the Authority’s independent insurance consultant, considers adequate and similar to those of other comparable organizations.

Debt and Investment Policies. The Authority maintains established policies concerning its investment of various funds. Investment policies for moneys held under the Trust Agreement are set forth therein and are additionally supplemented by the Statement of Investment Policy and Guidelines for The Delaware River and Bay Authority Construction and General Funds. In addition, the Authority maintains similar provisions concerning the investment of its Pension and OPEB Funds. The Authority retains the services of outside consultants for the purpose of investment management.

The Authority adheres to a Debt Structure Policy governing the Authority’s debt management practices. The policy limits total maximum combined exposure to variable rate debt[†] and derivatives at the time of issue to not greater than twenty-five percent of the total outstanding indebtedness of the Authority.

[†] The Authority’s current outstanding variable rate debt consists of \$30,000,000 aggregate principal amount of Series 2008 Bonds which are secured by a letter of credit issued by TD Bank, N.A., which has an expiration date of December 31, 2022. It is anticipated that all of the Series 2008 Bonds will be refunded with a portion of the proceeds of the Series 2019 Bonds.

CROSSING FACILITIES OF THE AUTHORITY

General

Under the Trust Agreement, the Authority may issue Bonds only for Crossing Facilities. The Authority may also incur Subordinate Obligations, and expend funds credited to its Subordinate Obligations Fund, and encumber and expend funds credited to its General Fund, for Crossing and non-Crossing Facilities alike. The Authority has no Outstanding Subordinate Obligations. See "SECURITY FOR THE SERIES 2019 BONDS – General."

The Authority presently owns and operates the twin spans of The Delaware Memorial Bridge (the "Bridge"), which extends across the Delaware River between Wilmington, Delaware and Deepwater, New Jersey, and the Cape May-Lewes Ferry, a public ferry service (the "Ferry") across the Delaware Bay, which connects the Cape May area of New Jersey with the Lewes area of Delaware. The Authority also owns and operates the Forts Ferry Crossing, a smaller seasonal ferry service which operates between Fort Mott, New Jersey, Fort Delaware on Pea Patch Island and Delaware City, Delaware.

The Authority maintains its own engineering and maintenance staff to perform all ordinary maintenance and repairs. Independent Consulting Engineers retained by the Authority are required under the Trust Agreement to make annual inspections of the Authority's Crossing Facilities and to submit a report to the Authority setting forth their findings as to whether the Crossing Facilities have been maintained in good repair, and their recommendations as to the proper maintenance of the Crossing Facilities for the ensuing fiscal year. Attached hereto as APPENDIX C are letters from the Authority's Independent Consulting Engineers stating that the Bridge and the Ferry continue to be maintained in good condition. Copies of the Independent Consulting Engineers' most recent annual reports, dated September, 2018, on the condition of the Bridge and the Ferry, are available without charge upon request to the Authority.

The Delaware Memorial Bridge

General. The first span of the Bridge was opened to traffic in 1951 and contained both east and west opposing traffic lanes. A parallel span was opened to traffic in 1968 and since that time each span has accommodated one-way traffic flow. Each span of the Bridge is a high-level, four lane suspension structure having a length of approximately two miles exclusive of approaches, and a minimum vertical clearance above mean high water of the center span of 175 feet over a 1,500 foot width of channel. The length of each center span is 2,150 feet, center to center of towers, with end spans of 750 feet each.

The Bridge links Route I-295 and the New Jersey Turnpike (in New Jersey) with I-95 and the Delaware Turnpike (in Delaware) which in turn connects with the Maryland Northeast Expressway running south to the Baltimore Harbor and Fort McHenry tunnels. Approaches to the Bridge also connect with Routes 13 and 40 in Delaware and Route 130 in New Jersey.

For the six months ended June 30, 2019, total Bridge toll transactions increased by 2.0% or approximately 165,000 transactions compared to the same period in 2018. The increase for the six months ended June 30, 2019 was composed of an increase in passenger car transactions of 2.0% and increase in commercial vehicle transactions of 1.7% compared to the six months ended June 30, 2018. Year-over-year total unaudited gross toll revenue through June 30, 2019 increased by approximately \$7.0 million or 13.7% compared to the same period in 2018.

Toll Structure. Since the opening of the second span of the Bridge in 1968, the Authority has implemented six (6) general toll increases for the Bridge. The most recent general toll increase was implemented on May 1, 2019, whereby cash, non-Delaware and non-New Jersey E-ZPass toll rates were

increased from \$4.00 to \$5.00 (25% increase), non-commercial New Jersey and Delaware E-ZPass toll customer rates were increased from \$4.00 to \$4.75 (19% increase). The commuter discount rate (22 trips in 30 days) was increased \$0.25 (25% increase) and the frequent traveler discount rate (20 trips in 90 days) was increased \$0.50 (40% increase). Commercial vehicle toll rates were increased from \$5.00 to \$6.00 per axle (20% increase) for Class 2 vehicles. Commercial vehicles Class 3 or greater were increased from \$5.00 to \$7.00 per axle (40% increase).

The May 1, 2019 toll increase was originally scheduled to go into effect in March, 2019, but was delayed as a result of the New Jersey Governor's veto of the New Jersey Commissioners' affirmative votes for the Authority resolution authorizing such increase. After changes to the originally proposed toll increase package, the Authority's subsequent authorizing resolution became effective without further veto by either governor.

The table below summarizes the Bridge's historical and current toll structure since 1993. The toll schedule changes that occurred in 1995 and 2001 did not include toll rate increases; instead, they consisted of phasing out various payments with tickets and tokens.

The Delaware Memorial Bridge Toll Schedule

Vehicle Class	Effective Date of Toll Schedule						
	1/1/1993	7/1/1995	5/1/2000	10/1/2001	1/4/2008	7/1/2011	5/1/2019
Class 1 – Passenger Cars	\$ 2.00	\$ 2.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 4.00	\$ 5.00
Class 1 – NJ & DE E-ZPass Discount	-	-	-	-	-	-	4.75
Class 2 – 2 Axle Trucks	5.00	5.00	6.00	6.00	8.00	10.00	12.00
Class 3 – 3 Axle Trucks	7.50	7.50	9.00	9.00	12.00	15.00	21.00
Class 4 – 4 Axle Trucks	10.00	10.00	12.00	12.00	16.00	20.00	28.00
Class 5 – 5 Axle Trucks & Truck Combinations	12.50	12.50	15.00	15.00	20.00	25.00	35.00
Class 6 – 6 Axle Trucks & Truck Combinations	15.00	15.00	18.00	18.00	24.00	30.00	42.00
Class 7 – Vehicles Requiring Special Permits	25.00	25.00	40.00	40.00	50.00	60.00	85.00
Class 8 – Special (Over Six Axles)	2.50	2.50	3.00	3.00	4.00	5.00	7.00
Class 9 – Commutation Plan (Tickets) ⁽¹⁾	0.75	0.75	0.75	-	-	-	-
Class 9 – Commutation Plan (E-ZPass) ⁽²⁾	-	-	-	0.75	0.75	1.00	1.25
Class 10 – Discount Tickets ⁽¹⁾	-	1.00	1.00	-	-	-	-
Class 10 – Frequent Traveler Plan (E-ZPass) ⁽³⁾	-	-	-	1.00	1.00	1.25	1.75
Class 11 – Passenger Cars w/1 Axle Trailer	3.25	3.25	4.50	4.50	4.50	6.00	7.50
Class 12 – Passenger Class w/2 Axle Trailer	4.50	4.50	6.00	6.00	6.00	8.00	10.00
Class 13 – Passenger Class w/3 Axle Trailer	5.75	5.75	7.50	7.50	7.50	10.00	12.50
Class 14 – Senior Citizens ⁽⁴⁾	1.00	1.00	1.00	-	-	-	-
Class 15 – Tokens ⁽⁵⁾	1.00	-	-	-	-	-	-

(1) Ticket discount plans were phased out after the implementation of E-ZPass in July 2001.

(2) Commuter Commutation Plan entitles E-ZPass users enrolled in the plan to 22 trips on the Bridge within a 30 day period. The period starts when the tag is first used after enrollment. The toll rate shown assumes all 22 trips are made. Only passenger cars are eligible.

(3) Frequent Traveler Plan entitles E-ZPass users enrolled in the plan to 20 trips on the Bridge within a 90 day period. The period starts when the tag is first used after enrollment. The toll rate shown assumes all 20 trips are made. Only passenger cars are eligible.

(4) All tickets, including Senior Citizens and tokens, were discontinued with the implementation of E-ZPass.

(5) Tokens were phased out after the implementation of Class 10 tickets.

Note: E-ZPass was implemented on 7/18/2001.

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The following table shows the percent increase in the toll rate for each vehicle class.

**The Delaware Memorial Bridge Historical Toll Rate Increases
1993-2019**

Vehicle Class	Percent Change in Toll Rates By The Effective Date of The Toll Increase				
	1/1/1993	5/1/2000	1/4/2008	7/1/2011	5/1/2019
Class 1 – Passenger Cars	33.3%	50.0%	0.0%	33.3%	25.0%
Class 1 – NJ & DE E-ZPass Discount	33.3	50.0	-	33.30	18.80
Class 2 – 2 Axle Trucks	66.7	20.0	33.3	25.0	20.0
Class 3 – 3 Axle Trucks	66.7	20.0	33.3	25.0	40.0
Class 4 – 4 Axle Trucks	66.7	20.0	33.3	25.0	40.0
Class 5 – 5 Axle Trucks & Truck Combinations	66.7	20.0	33.3	25.0	40.0
Class 6 – 6 Axle Trucks & Truck Combinations	66.7	20.0	33.3	25.0	40.0
Class 7 – Vehicles Requiring Special Permits	66.7	60.0	25.0	20.0	41.7
Class 8 – Special (Over Six Axles)	-	20.0	33.3	25.0	40.0
Class 9 – Commutation Plan (Tickets)	-	-	-	-	-
Class 9 – Commutation Plan (E-ZPass)	-	-	-	33.3	25.0
Class 10 – Discount Tickets	-	-	-	-	-
Class 10 – Frequent Traveler Plan (E-ZPass)	-	-	-	25.0	40.0
Class 11 – Passenger Cars w/1 Axle Trailer	30.0	38.5	-	33.3	25.0
Class 12 – Passenger Class w/2 Axle Trailer	50.0	33.3	-	33.3	25.0
Class 13 – Passenger Class w/3 Axle Trailer	-	30.4	-	33.3	25.0
Class 14 – Senior Citizens	100.0	-	-	-	-
Class 15 – Tokens	-	-	-	-	-

E-ZPass. The Authority utilizes the E-ZPass system as a means of providing electronic toll collection and discounts rates to volume patrons of the Bridge. In 2018, approximately 74.5% of Bridge customers paid electronically, while 13.8% of total passenger car traffic participated in a discount program. In 2011, the Authority merged its E-ZPass operations with the New Jersey Customer Service Center to achieve cost savings while providing additional advantages to account holders. The Authority maintains an on-site customer service center for enhanced convenience and service to its E-ZPass users.

Historical Traffic and Revenue. The following table presents the historical record of Bridge toll transactions and gross toll revenue from 2009 through 2018.

Toll Transactions and Gross Toll Revenue (2009-2018)

Year	Vehicle Volume (000)	% Increase (Decrease)	Gross Toll Revenue ⁽²⁾ (000)	% Increase (Decrease)	Average Weighted Toll ⁽¹⁾
2009	17,111	1.2	77,426	(2.8)	\$4.516
2010	16,966	(0.8)	75,875	(2.0)	4.472
2011	16,771	(1.2)	86,121	13.5	5.135
2012	16,783	0.1	95,461	10.8	5.688
2013	16,852	0.4	95,983	0.5	5.690
2014	17,139	1.7	97,200	1.3	5.671
2015	17,723	3.4	101,354	4.3	5.719
2016	17,805	0.5	103,842	2.5	5.832
2017	17,770	(0.2)	104,815	0.9	5.898
2018	17,771	0.0	105,864	1.0	5.957

⁽¹⁾ Average weighted toll is based on adjusted toll revenue to account for uncollected tolls.

⁽²⁾ Commencing with the 2010 fiscal year, the Authority eliminated the allowance for uncollected tolls and has reported tolls on an actual basis.

The following table presents the historical records of Bridge toll transactions shown by vehicle types from 2014 through 2018.

**The Delaware Memorial Bridge
2014-2018 Toll Transactions
(Thousands)**

<u>Vehicle Type</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Passenger Cars	15,075	15,582	15,601	15,440	15,325
Commercial	2,064	2,141	2,204	2,330	2,446
Grand Total	17,139	17,723	17,805	17,770	17,771

The following table presents the historical records of Bridge gross toll revenues shown by vehicle type from 2014 through 2018.

**The Delaware Memorial Bridge
2014-2018 Gross Toll Revenues
(Thousands of Dollars)**

<u>Vehicle Type</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Passenger Cars	\$52,526	\$54,850	\$55,336	\$54,783	\$54,493
Commercial	44,674	46,504	48,506	50,032	51,371
Grand Total	\$97,200	\$101,354	\$103,842	\$104,815	\$105,864

Cape May - Lewes Ferry

General. In 1964, the Authority commenced operating a public ferry service across the Delaware Bay to connect southern New Jersey with southern Delaware. Currently, three vessels provide the service along a 16.3 mile route, with terminals in Cape May, New Jersey, and Lewes, Delaware. The New Jersey terminal is connected to the Garden State Parkway by a 2.5 mile approach road. The Delaware terminal is connected to Route 1 and Route 9 by a 2.5 mile approach road (Freeman Highway). Freeman Highway is owned and maintained by the Authority.

Public usage of the Ferry is highly seasonal, reflecting its location in the heart of two popular resort areas. Traffic during the peak season months of May - October accounted for approximately 76.4% of the 2018 annual total transactions.

For the six months ended June 2019, total toll transactions at the Ferry increased by approximately 24,000 transactions or 7.1% compared to the same period in 2018 while unaudited gross toll revenue has increased by approximately \$424,000 or 9.1% for the period.

Rate Structure. The following table presents the current toll schedule for the Ferry that went into effect on April 1, 2019. Tolls differ by the season the trip is made. Tolls are lowest from November through March. The highest tolls occur in the peak period which occurs on Fridays, Saturdays, Sundays and holidays from Memorial Day through Labor Day. Both vehicles and passengers are charged a toll. Passengers include people in vehicles (excluding the driver) as well as pedestrians and bicyclists.

Current Cape May-Lewes Ferry Toll Schedule⁽¹⁾
Effective Date 4/1/2019

Toll Classification	November - March	April - October	High Season Jul. - Aug. (Mon.- Thur.)	Peak ⁽²⁾
Passengers – 14 years or over ⁽³⁾	\$ 8.00	\$ 10.00	\$ 10.00	\$ 10.00
Return Trip Value Fare ⁽⁴⁾	6.00	8.00	8.00	8.00
Bus Passengers – 14 years or over ⁽³⁾	3.00	5.00	5.00	5.00
Seniors (62+ years)	6.00	8.00	8.00	8.00
Return Trip	5.00	6.00	6.00	6.00
Military	6.00	8.00	8.00	8.00
Return Trip	5.00	6.00	6.00	6.00
Class 1 – Passenger Car	28.00	40.00	45.00	48.00
Return Trip Value Fare ⁽⁴⁾	23.00	33.00	38.00	48.00
Class 4 – 20' to 25'	32.00	44.00	50.00	53.00
Class 5 – 25' to 35'	41.00	53.00	58.00	64.00
Class 6 – 35' to 45'	48.00	60.00	65.00	72.00
Class 7 – 45' to 60'	60.00	73.00	78.00	88.00
Class 9 – Over 60'	83.00	96.00	104.00	116.00
Class 10 – Motorcycles	24.00	34.00	39.00	39.00
Return Trip Value Fare ⁽⁴⁾	19.00	28.00	33.00	39.00
Class 12 – Over Width Vehicles	Double the length rate above			

(1) These amounts reflect the toll for a one-way passage.

(2) Memorial Day to Labor Day, Fridays, Saturdays, Sundays, and holidays

(3) Passengers under 6 sail free, and ages 6-13 receive discounted fares.

(4) Return-trip value for fare tickets must be purchased with initial sailing.

There have been seven toll increases since the beginning of 2008, occurring in 2008, 2009, 2010, 2013, 2014, 2016 and most recently in 2019. The following table shows the average weighted percent increase in the toll rate for passengers, passenger cars (Class 1) and the remaining 9 vehicle classes (Classes 4-12).

Cape May-Lewes Ferry, Historical Toll Rate Increases
2008-2019
(Percent Increase)

Vehicle Class	Description	Percent Change in Toll Rates ⁽¹⁾					
		4/1/2008	4/1/2009	4/1/2010	4/1/2013	5/23/2014	4/1/2019
	Passengers ⁽²⁾	0.0%	7.7%	0.6%	0.0%	0.0%	0.0%
1	Passengers Cars	18.4	10.2	2.1	1.4	2.8	1.9
4-12	All Other Vehicles	29.6	7.9	1.4	0.2	2.8	0.0
	All Passenger and Vehicle Classes	12.4	9.3	1.3	0.9	2.0	0.2

(1) Percent change is calculated using average weighted toll rates.

(2) Includes all toll paying passengers and bus passengers.

In addition to the toll schedule, the Authority utilizes the use of a fuel surcharge beginning February 2009, to help address the effects of market fluctuations on fuel prices. The surcharge varies and is only applied when the price the Authority pays for marine diesel fuel rises faster than the historical trend. For every \$0.25 above the historical trend, the Authority assesses a \$1.00 per vehicle surcharge. This calculation is performed on a monthly basis and the surcharge is removed when fuel prices fall below the benchmark. The same level of surcharge is applied to all motor vehicle toll classes.

Historical Traffic and Revenue. The following table presents the historical record of Ferry toll transactions and gross toll revenue from 2009 through 2018.

Cape May - Lewes Ferry

Year	<u>Toll Transactions</u>				<u>Gross Toll Revenue</u>			% Increase (Decrease)
	<u>Vehicles</u>	% Increase (Decrease)	<u>Passengers</u>	% Increase (Decrease)	<u>Vehicles</u>	<u>Passengers</u>	<u>Total</u>	
	Volume		Volume		Passengers	Total		
	(000)		(000)		(000)	(000)	(000)	
2009	288	(8.0)	795	(8.6)	\$10,105	\$4,129	\$14,234	0.3
2010	284	(1.4)	772	(2.9)	10,150	4,035	14,185	(0.3)
2011	267	(6.0)	736	(4.7)	9,534	3,872	13,406	(5.5)
2012	271	1.5	751	2.0	9,696	3,968	13,664	1.9
2013	255	(5.9)	704	(6.3)	9,269	3,687	12,956	(5.2)
2014	261	2.4	728	3.4	9,750	3,538	13,288	2.6
2015	265	1.5	741	1.8	9,888	3,384	13,272	(0.1)
2016	258	(2.6)	714	(3.6)	7,806	5,284	13,089	(1.4)
2017	267	3.5	734	2.8	7,957	5,623	13,580	3.8
2018	264	(1.1)	718	(2.2)	7,914	5,462	13,376	(1.5)

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HISTORICAL AND PROJECTED REVENUES, EXPENDITURES AND OPERATING RESULTS OF THE AUTHORITY

The following table sets forth for each of the three fiscal years ended December 31, 2016 to and including December 31, 2018, the historical revenues, expenditures and operating results of the Authority, together with total senior debt service under the Trust Agreement and the debt service coverage ratio. Bridge Tolls are adjusted to reflect the allowance for uncollected tolls.

	<u>2016</u>	<u>2017</u>	<u>2018</u>
THE DELAWARE MEMORIAL BRIDGE			
Tolls	\$103,841,896	\$104,814,907	\$105,864,220
Other Income	<u>2,432,058</u>	<u>3,113,145</u>	<u>3,855,331</u>
Bridge Total Revenues.....	106,273,954	107,928,052	109,719,551
Operating Expenses.....	<u>(20,013,854)</u>	<u>(21,171,871)</u>	<u>(21,079,854)</u>
Bridge Net Revenues	\$86,260,100	\$86,756,181	\$88,639,697
CAPE MAY-LEWES FERRY			
Tolls	\$13,090,458	\$13,580,352	\$13,375,820
Other Income	<u>332,887</u>	<u>442,453</u>	<u>1,012,389</u>
Ferry Total Revenues.....	13,423,345	14,022,805	14,388,209
Operating Expenses.....	<u>(23,681,729)</u>	<u>(24,921,676)</u>	<u>(26,289,113)</u>
Ferry Net Revenues.....	\$(10,258,384)	\$(10,898,871)	\$(11,900,904)
FORTS FERRY CROSSING			
Tolls	\$ 51,570	\$ 72,580	\$ 55,679
Operating Expenses.....	<u>(119,654)</u>	<u>(106,363)</u>	<u>(88,276)</u>
Forts Ferry Crossing Net Revenues	\$(68,084)	\$ (33,783)	\$ (32,597)
CONCESSIONS			
Operating Revenue.....	\$5,087,488	\$5,263,116	\$5,325,685
Other Income	<u>218,192</u>	<u>4,140</u>	<u>5,100</u>
Concessions Total Revenues.....	5,305,680	5,267,256	5,330,785
Operating Expenses.....	<u>(5,546,583)</u>	<u>(5,523,450)</u>	<u>(5,441,215)</u>
Concessions Net Revenues	\$(240,903)	\$(256,194)	\$(110,430)
ADMINISTRATION EXPENSES	(12,954,149)	(14,211,625)	(15,348,120)
AUTHORITY POLICE EXPENSES	(9,067,359)	(9,861,787)	(10,244,109)
ADJUSTMENTS TO REVENUE PER TRUST AGREEMENT	<u>(4,509,781)</u>	<u>198,681</u>	<u>(6,142,041)</u>
NET OPERATING REVENUE	\$49,161,440	\$51,692,602	\$44,861,496
INCOME FROM INVESTMENTS	<u>(355,175)</u>	<u>4,773,348</u>	<u>2,808,315</u>
NET REVENUE AVAILABLE FOR DEBT SERVICE	\$48,806,265	\$56,465,950	\$47,669,811
TOTAL SENIOR DEBT SERVICE.....	\$25,154,606	\$25,088,952	\$25,271,628
DEBT SERVICE COVERAGE RATIO	1.94x	2.25x	1.89x

Management's Discussion of Authority's Operating Results

Fiscal Year 2018

In 2018, total operating revenue from Crossing Facility activities (excluding airports and economic development) increased \$2.2 million, or 1.7% to \$129.5 million. The respective portions of toll revenues received from the Bridge and Ferry were 85% and 15%, respectively. Bridge revenues increased \$1.1 million or 1.0% as a result of an increase in traffic volume, while Ferry revenues decreased by \$221 thousand (1.6%) and concession revenue increased \$63 thousand (1.2%) for the fiscal year. Investment income decreased by \$2.4 million, or 48.7% for the year as a result of market valuations.

Total Crossing Facility operating expenses (Bridge, Ferry Crossing, Concessions, Administration and Police) increased \$2.7 million or 3.6% from \$75.8 million to \$78.5 million in 2018. Net operating revenue for fiscal year 2018 was \$44.9 million, a decrease of \$6.8 million (13.2%) compared to fiscal year 2017 results due primarily to an increase in Operating Expenses related to wages and benefits, as well as facility maintenance.

Operating Expenses

The following table combines all Crossing Facility operating expenses (Bridge, Ferry, Concessions, Administration and Police) into one category and shows the percent of change from year to year.

<u>Year</u>	<u>Operating Expenses¹</u> (000)	<u>Percent Change</u>
2014	\$68,533	(1.6)
2015	69,994	2.1
2016	71,383	2.0
2017	75,797	6.2
2018	78,491	3.6

¹ Before end of year inventory adjustments and depreciation.

2019 Budget

The Authority adopted its 2019 operating budget of \$132.6 million of revenues and \$80.3 million of expenses before debt service (excluding airports from both figures) and \$25.3 million of debt service. The Authority also budgeted \$8.0 million and \$8.7 million, respectively, in revenues and expenses for the airports and economic development operations for 2019. The Authority designated \$8.0 million credited to its General Fund as a restricted reserve for 2019 as the Authority's self-insurance fund to cover any payments within the deductibles of the Authority's various insurance policies. If the Authority were to realize exactly the budgeted amounts of receipts and expenditures, the resulting coverage of debt service would be approximately 2.05x (prior to the issuance of any of the Series 2019 Bonds).

The current 5-year Plan of Finance incorporates the adopted 2019 operating budget and projects for the remaining years 2020-2023 annual budget increases in expenses of 2.5% annually.

2019 Unaudited Interim Results

Total transactions at the Bridge were 8,595,129 through June 30, 2019 compared to 8,431,780 for the same period in 2018. Unaudited expenses as of June 30, 2019 were at 41.5% of the total fiscal year's budget, comparing favorably to the 43.5% spent for the same period of 2018. The Authority anticipates finishing the 2019 year within its adopted operating budget. Unaudited six month revenues from operations were \$64.9 million through June 2019. The Authority had revenues of \$57.3 million for the same period of 2018.

Revenue Comparison (Unaudited)			
	Actual YTD <u>6/30/2019</u>	Actual YTD <u>6/30/2018</u>	Actual 2019 YTD vs. <u>Actual 2018 YTD</u>
Bridge	\$58,185,250	\$51,026,251	\$7,158,999
Cape May-Lewes Ferry	4,976,549	4,600,552	375,997
Food & Retail	1,725,437	1,684,399	41,038
Forts Ferry Crossing	<u>19,517</u>	<u>19,914</u>	<u>(397)</u>
Revenues for Debt Service	64,906,753	57,331,116	7,575,637
Other Income	2,587,124	2,434,891	152,233
Investment Income	1,090,762	1,249,006	(158,244)
Economic Dev.	890,344	759,626	130,718
Airports	<u>3,729,048</u>	<u>3,699,507</u>	<u>29,541</u>
Total	<u>\$73,204,031</u>	<u>\$65,474,146</u>	<u>\$7,729,885</u>

Expenditure Comparison (Unaudited)					
	2019 <u>Budget</u>	2018 <u>Budget</u>	Actual YTD <u>6/30/2019</u>	Actual YTD <u>6/30/2018</u>	Actual 2019 YTD vs. <u>Actual 2018 YTD</u>
Administration	\$16,151,001	\$15,692,682	\$6,550,513	\$6,889,393	(\$338,880)
Bridge	20,817,707	20,293,571	8,834,556	8,866,049	(31,494)
Cape May-Lewes Ferry	26,438,029	25,528,465	10,884,824	11,153,796	(268,972)
Authority Police	<u>10,814,995</u>	<u>10,381,674</u>	<u>4,818,068</u>	<u>4,734,350</u>	<u>83,718</u>
Sub-Total	74,221,732	71,896,392	31,087,960	31,643,588	(555,628)
Food Services	5,906,681	5,984,508	2,090,887	2,204,442	(113,555)
Forts Ferry Crossing	<u>125,458</u>	<u>120,681</u>	<u>33,324</u>	<u>29,371</u>	<u>3,953</u>
Sub-Total	80,253,871	78,001,581	33,212,170	33,877,400	(665,230)
Airports Division	8,029,492	7,743,858	3,271,027	3,384,972	(113,944)
Economic Dev	<u>711,932</u>	<u>840,847</u>	<u>487,083</u>	<u>432,024</u>	<u>55,059</u>
Total	<u>\$88,995,295</u>	<u>\$86,586,286</u>	<u>\$36,970,281</u>	<u>\$37,694,396</u>	<u>(\$724,115)</u>

Summary of Toll Revenue Forecast Prepared by the Transportation Consultant

CDM Smith, Boston, Massachusetts, the Authority's Transportation Consultant, was requested by the Authority to prepare the 2019 Transaction and Toll Revenue Forecast Study (referred to herein as the

“Transportation Consultant’s Report”) that presents the annual transaction and gross toll revenue forecasts for the years 2019 through 2024, inclusive, for the Bridge. The Transportation Consultant’s Report does not contain forecasts for the Ferry.

For the Bridge, traffic and toll revenue forecasts have been developed for passenger cars and commercial vehicles. Additional assumptions regarding future E-ZPass penetration and discount program usage were also developed as part of the Transportation Consultant’s Report. No changes in current tolls and fares were assumed throughout the forecast period.

The study included the collection and analysis of historical transactions and toll revenue trends, historical toll schedule changes, and the identification of major disruptions to toll transactions such as weather events and construction. A review was made of planned roadway/capital improvement projects to identify those that would likely impact usage of the Bridge during the forecast period. Econometric growth forecasts were developed by the Transportation Consultant for the Bridge. The final transaction forecasts for the Bridge were based on the normal growth forecasts, and modified to reflect the effects of the May 2019 toll increase, competing roadway improvements and leap years.

Toll revenue forecasts were developed by applying average toll rates to the Bridge toll transaction forecasts. The revenue forecasts take into account the varying toll rates for E-ZPass, cash, and discount program rates on the Bridge.

All revenue trends and forecasts provided in the Transportation Consultant’s Report are meant to reflect gross revenue only. Annual maintenance and operating costs are not addressed in the Transportation Consultant’s Report. See “Summary of Projected Net Revenues and Debt Service Coverage of the Crossing Facilities” below.

Current accepted professional practices and procedures were used by the Transportation Consultant in the development of these traffic and gross toll revenue forecasts. However, as with any forecast of the future, it should be understood that there may be differences between forecasted and actual results caused by events and circumstances beyond the control of the forecasters. The Transportation Consultant has made qualitative judgments related to several key variables in the development and analysis of the traffic and revenue forecasts that must be considered as a whole. All estimates and projections reported in the Transportation Consultant’s Report are based on the Transportation Consultant’s experience and judgment and on a review of information obtained from the Authority and multiple state and local agencies. The Transportation Consultant’s Report contains forward looking statements involving risks and uncertainties that may cause actual results to differ materially from the results predicted.

A copy of the 2019 Transportation Consultant’s Report, dated August 21, 2019, is attached as APPENDIX A to this Official Statement.

The table below provides a summary of the Transportation Consultant's estimated toll transactions on the Bridge for the years 2019 through 2024, inclusive. The forecast assumes no toll rate increases or toll schedule modifications through the forecast period. Estimates for the 2019 year reflect actual experience through June 2019.

Estimated Toll Transactions for The Delaware Memorial Bridge (000s)

<u>Year</u>	<u>Passenger Cars</u>	<u>Commercial Vehicles</u>	<u>Total Vehicles</u>
2019	15,521	2,479	18,000
2020	15,544	2,494	18,038
2021	15,626	2,527	18,153
2022	15,735	2,567	18,302
2023	15,838	2,606	18,444
2024	15,968	2,652	18,620

The table below provides a summary of the Transportation Consultant's estimated annual gross toll revenue from the Bridge for the years 2019 through 2024, inclusive. The forecast assumes no toll rate increases or toll schedule modifications through the forecast period. Estimates for the 2019 year reflect actual experience through June 2019.

Estimated Gross Toll Revenues for The Delaware Memorial Bridge (\$000s)

<u>Year</u>	<u>Passenger Car</u>	<u>Commercial Vehicle</u>	<u>Total</u>
2019	\$64,658	\$65,671	\$130,329
2020	68,620	72,706	141,325
2021	69,017	73,831	142,848
2022	69,533	75,133	144,666
2023	70,002	76,428	146,430
2024	70,594	77,917	148,511

Summary of Projected Net Revenues and Debt Service Coverage of the Crossing Facilities

The following table provides a summary of the Authority's projected Revenues, Current Expenses, debt service and net revenues and the resulting debt service coverage ratios for its fiscal years 2019 through and including 2024 for the Crossing Facilities. The information contained in this table constitutes "forward-looking statements" for purposes of this Official Statement. Accordingly, the achievement of the results and other expectations contained in table involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from the future results and other expectations of the Authority described in or expressed or implied by the information set forth in this table.

Projected Debt Coverage Analysis (\$000s)

<u>Fiscal Year</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Gross Bridge Toll Revenue ⁽¹⁾	\$130,329	\$141,325	\$142,848	\$144,666	\$146,430	\$148,511
Ferry Revenue ⁽²⁾	13,560	13,560	13,560	13,560	13,560	13,560
Ferry Food Service Revenue ⁽²⁾ ...	5,275	5,275	5,275	5,275	5,275	5,275
Total Other Income ⁽²⁾	6,985	7,100	7,100	7,100	7,486	7,796
Total Revenue	\$156,149	\$167,260	\$168,783	\$170,601	\$172,751	\$175,142
Total Current Expenses ⁽³⁾	(\$80,254)	(\$82,260)	(\$84,317)	(\$86,425)	(\$88,585)	(\$90,800)
Net Revenue Available for						
Senior Debt Service	\$75,895	\$85,000	\$84,466	\$84,176	\$84,166	\$84,342
Senior Debt Service ⁽⁴⁾	\$27,986	\$32,474	\$32,477	\$32,324	\$32,321	\$32,956
Senior Debt Service Coverage ...	2.71x	2.62x	2.60x	2.60x	2.60x	2.56x
Surplus Revenues.....	\$47,909	\$52,526	\$51,989	\$51,852	\$51,845	\$51,386

¹Based on projected amounts provided by CDM Smith in the Transportation Consultant's Report.

²Cape May-Lewes Ferry Revenue, Forts Ferry Crossing Revenue, Ferry Food Service Revenue, and Total Other Income are based on projected amounts provided by the Authority. Total Other Income includes earnings on the Debt Service Reserve Fund and other income.

³Based on projected amounts provided by the Authority.

⁴Assumes payments due on January 1 are paid on the preceding December 31. Includes estimated debt service on Series 2019 Bonds. Does not include debt service on the Series 2008 Bonds being refunded with a portion of the proceeds of the Series 2019 Bonds or any Additional Bonds which may be issued by the Authority.

CAPITAL FINANCING NEEDS OF THE AUTHORITY

The Authority develops a five-year capital planning document (the "Five-Year Capital Plan") from which it adopts an annual one-year capital improvement program (the "Capital Program"). As shown in the chart below, the Five-Year Capital Plan addresses the Authority's needs to maintain, upgrade and expand its Crossing Facilities, represents the current plans of the Authority and is subject to modification and adjustment as circumstances warrant. Consequently the actual projects undertaken may differ significantly from those contained in the Five-Year Capital Plan. The actual projects to be undertaken pursuant to the Capital Program are authorized by the Authority on a year-to-year basis. For 2019, the Capital Program budget is approximately \$67.4 million, which, to date, has been funded with cash of the Authority.

2019-2023 Five-Year Capital Plan (\$000s)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
Bridge	\$44,125	\$63,183	\$56,672	\$48,895	\$26,170	\$239,045
Ferry	<u>\$23,327</u>	<u>\$26,395</u>	<u>\$21,873</u>	<u>\$10,140</u>	<u>\$7,450</u>	<u>\$89,185</u>
Crossing Facilities Total	\$67,452	\$89,578	\$78,545	\$59,035	\$33,620	\$328,230
Airports	<u>\$17,358</u>	<u>\$21,747</u>	<u>\$17,622</u>	<u>\$7,378</u>	<u>\$7,468</u>	<u>\$71,573</u>
Five-Year Capital Plan	<u>\$84,810</u>	<u>\$111,325</u>	<u>\$96,167</u>	<u>\$66,413</u>	<u>\$41,088</u>	<u>\$399,803</u>

The current Five-Year Capital Plan (for years 2019-2023) totals approximately \$328.2 million for the Crossing Facilities. This includes approximately \$239.0 million for Bridge projects and approximately \$89.2 million for Ferry projects. If undertaken, these projects will be financed with surplus Authority funds, proceeds of the Series 2019 Bonds and/or future issues of Additional Bonds. The Authority anticipates issuing approximately \$100 million of Additional Bonds on a parity with the Outstanding Series 2012 Bonds, the Series 2014 Bonds and the Series 2019 Bonds in the next several years to provide additional funds for the Five-Year Capital Plan.

The major components of the current Five-Year Capital Plan for the Bridge include ship collision protection, deck replacement, steelwork repair and painting programs and telecommunication upgrades.

The existing water and submerged-level tower collision protection system is original to the Bridge and will be replaced with a new design developed to meet the demands of today's larger vessels. Deck replacement systems will be evaluated and tested for replacement on the northbound structure originally constructed in 1951. Suspender ropes and brackets showing corrosion will be removed and replaced with new components. Ongoing partial remedial and painting action will occur for the next several years as the Authority anticipates continuing with its program of cleaning and re-coating deteriorated areas of the Bridge until after the Bridge decks are replaced. A seventeen (17) year painting schedule has been developed and implemented to achieve total remediation of the twin spans of the Bridge.

The major components of the current Five-Year Capital Plan for the Cape May-Lewes Ferry include replacement of the main engines and reduction gears on two vessels, the design and installation of centralized utility corridors for the Cape May and Lewes terminals, the rehabilitation of Cape May approach roads and miscellaneous vessel improvements and replacement.

The components of the current Five-Year Capital Plan for the Forts Ferry Crossing include minor vessel maintenance and rehabilitation.

The goal of the Five-Year Capital Plan and the Capital Program is to maintain the Crossing Facilities in excellent condition. Authority personnel also provide ongoing maintenance on a daily basis.

FACILITIES OTHER THAN CROSSING FACILITIES

1990 Amendments to Compact

Since the initial adoption in 1962, the Compact has authorized the Authority to develop, in addition to Crossing Facilities, transportation and terminal facilities in Delaware and certain New Jersey counties. The amendment of the Compact effective in 1990 expanded the Authority's powers to include the power to develop commerce facilities and developments and to use toll revenue for the financing and operation of transportation and terminal facilities, and for the financing and operation of those commerce facilities or developments the Authority deems necessary for the sound economic development of the area it serves. Transportation and terminal facilities and commerce facilities or developments are hereinafter referred to as "non-Crossing facilities" or "non-Crossing projects". Commerce facilities are broadly defined to include various types of recreational development, environmental projects, port-oriented development, and manufacturing and industrial facilities or other facilities of commerce. All non-Crossing projects must comply with applicable environmental regulations, and projects with significant environmental impacts (as determined in accordance with the laws of the host State) require public notice and hearing as well as specific legislative approval of the State in which they will be located. In the case of a non-Crossing project to be located in the Delaware River or Bay, the concurrent approval of the legislatures of both States is a prerequisite.

As noted above, under the Trust Agreement, income derived by the Authority from non-Crossing facilities is not included in "Revenues", is not pledged to the payment of debt service on the Bonds and may be pledged to obligations in respect of non-Crossing facilities. See "SECURITY FOR THE SERIES 2019 BONDS -- General."

Approval Process

The following is a description of the state law requirements and internal review procedures applicable in the event that the Authority determines to undertake a non-Crossing project.

Delaware Requirements. The Authority may not initiate any commerce facility or development project in Delaware unless the Delaware Department of State has first submitted the proposal to the Governor for approval and complied with certain notice requirements. No commerce facility and no transportation or terminal facility may proceed unless it has been specifically approved by a three-fourths vote of all the members elected to each house of the General Assembly. In addition, a project must comply with local land use and other applicable laws and regulations of the political subdivision in which it is to be located.

New Jersey Requirements. The Authority may not undertake any project in New Jersey without first holding a public hearing upon notice and obtaining specific legislative authorization and approval in accordance with New Jersey law, including, but not limited to, "The Wetlands Act of 1970" and the "Coastal Area Facility Review Act".

Internal Review Process. In 1994, the Authority adopted an internal procedure for review of non-Crossing projects that are proposed to the Authority. The review process is intended to evaluate a project's ability to meet its operating costs and debt service requirements, staffing requirements, its impact on the Authority's operating and capital budget, and its impact on the local economies. The Authority prioritizes its involvement in non-Crossing facilities based upon their end use connection to its primary missions, namely crossing, terminal or transportation facilities.

Non-Crossing Projects

The Authority has undertaken certain non-Crossing projects related to Transportation, Terminal and Commerce Facilities. These projects can be categorized in one of the two following groups:

1. Air Transportation
2. Business Development

1. Air Transportation.

New Castle Airport - located five miles south of Wilmington, Delaware, this 1,250-acre facility is the largest non-military air facility in Delaware. The airport houses approximately 89 corporate aircraft and 105 tenants.

Civil Air Terminal - located on the U.S. Air Force Base in Dover, Delaware, this facility accommodates civilian aircraft parking for up to 60 aircraft.

Delaware Air Park - located in Kent County, Delaware, this airport facility is utilized by civilian aircraft requiring access to Dover, the Delaware Capitol, and surrounding areas. It is also home to a curriculum-based student pilot training program run by Delaware State University.

Cape May Airport - located approximately 3 miles from the Authority's Cape May, New Jersey, Ferry Terminal, this 1,000-acre general aviation facility also includes an industrial park.

Millville Airport - located in Millville, New Jersey, this 1,000-acre airport facility has two runways, eight taxiways, and three aircraft parking ramps.

The Authority has undertaken a systematic business approach related to the management of each airport facility. Each facility has its own capital and operating budgets approved on an annual basis. In its fiscal year 2018, the airports division in aggregate had net operating income of approximately \$302,627 before depreciation, and a loss of \$9.0 million after depreciation. The capital budget for all airport facilities for 2019 is anticipated to be \$17.4 million. The Authority's lease payment for each of the five airport facilities is \$1 per year.

The Authority anticipates that it will engage in additional capital projects depending upon the availability of Federal Aviation Administration funding and as other economic development opportunities arise.

2. Business Development

The Authority has undertaken three economic development projects related to business development and currently remains involved with one. A description of the continuing project follows.

Salem Business Centre. The Authority is the developer of a 71-acre business park located ten minutes from The Delaware Memorial Bridge at exit 4 off I-295 in Carney's Point, New Jersey. Initially, the Authority owned the entire 71 acre property and developed the site infrastructure into six separate parcels. A regional power supplier was the first tenant in the Centre, and constructed a 120,000 sq. ft. service center building under a long term ground lease with the Authority for a 10 acre parcel at the park. In 2003, the Authority sold the parcel underlying the service center building to an unrelated third party purchaser. The power supplier continues to occupy the service center.

The Authority has constructed a 78,338 sq. ft. building on a 10 acre parcel/development site, which is 82% occupied at this time and sold another 11.7 acre parcel to a telecom company in 2009 for \$1.17 million. There are three remaining parcels/development sites available at this time.

In this project, the Authority's goal includes a return of and on capital.

Future Economic Development Initiatives

The Authority has developed a 5-year capital plan for its airports that includes \$71.6 million for aviation-related developments. If undertaken, these projects are expected to be funded with surplus airport funds and cash from the Authority's General Fund. The Authority has no other non-aviation related economic development initiatives planned or active at this time.

STATUTORY COVENANTS

The State of Delaware and the State of New Jersey have covenanted and agreed with each other in the Compact and with the holders of any bonds or other securities or obligations of the Authority for which there may or shall be pledged the tolls, rents, rates or other revenues, or any part thereof, of any property or facility owned, operated or controlled by the Authority that so long as any of said bonds or other securities or obligations remain outstanding the State of Delaware and the State of New Jersey will not diminish or impair the power of the Authority to own, operate or control said properties and facilities or to establish, levy and collect tolls, rents, rates and other charges in connection with such properties or facilities.

CERTAIN RISK FACTORS

Many factors could affect the sufficiency of the Revenues of the Crossing Facilities to meet debt service payments on the Series 2019 Bonds, some of which are discussed below. Potential investors must carefully consider the following factors in order to understand the structure and characteristics of the Series 2019 Bonds and the potential merits and risks of an investment in the Series 2019 Bonds. Potential investors must review and be familiar with a variety of risk factors in deciding whether to purchase any Series 2019 Bond. This discussion does not purport to be either comprehensive or definitive. The order in which risks are presented is not intended to reflect either the likelihood that a particular event will occur or the relative significance of such an event. Moreover, there may well be other risks associated with an investment in the Series 2019 Bonds in addition to those set forth herein.

The following risk factors are among those which should be considered by a potential investor:

General	The financial forecasts set forth in this Official Statement are based generally upon certain assumptions and projections as to estimated revenues and operating and maintenance expenses. Inevitably, some underlying assumptions and projections used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, the actual results achieved during the forecast periods will vary from the forecasts, and such differences may be material.
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Authority Revenues may Decline	While the Authority owns several revenue generating assets, Revenues of the Authority are substantially derived from the operation and use of a single asset, the Bridge, which serves a regional area. As such, any interruption in Bridge service or decrease in its utilization may materially adversely impact the amount of Revenues received by the Authority. In addition, the actual amount of future toll revenues collected by the Authority depends upon a number of factors, including rates established by the Authority and the level and composition of traffic on the Crossing Facilities. Many of these factors are beyond the control of the Authority. The Authority is obligated under the terms of the Trust Agreement, to fix and revise tolls at levels that will generate revenues (together with other available moneys) sufficient to pay all of its obligations under the Trust Agreement, and to maintain the Crossing Facilities. However, the amount of traffic on the Crossing Facilities cannot be predicted with certainty and may decline due to general economic conditions, diversion of some traffic to alternative routes from Crossing Facilities, availability of alternate forms of travel and shipping, government regulations, such as Clean Air Act requirements, increased mileage standards or higher fuel taxes and other factors which could significantly restrict motor vehicle use. There is insufficient data to assess these risk factors fully.
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Enforceability of Obligations	The remedies available to the holders of the Series 2019 Bonds upon the occurrence of an Event of Default under the Trust Agreement are, in many respects, dependent upon regulatory and judicial actions that are often subject to discretion or delay. Under existing law and judicial decisions, including specifically the United States Bankruptcy Code, the remedies specified in the Trust Agreement may not be readily available
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	<p>or may be limited. In addition, enforcement of such remedies is subject to the exercise in the future by each State and its agencies and political subdivisions of the police power inherent in the sovereignty of the State and by the United States of the constitutional powers delegated to it. The various legal opinions to be delivered concurrently with the delivery of the Series 2019 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series 2019 Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.</p>
<p>Costs of Construction of Projects Included in the Capital Improvement Program</p>	<p>In connection with the projects included in the capital improvement program, there is a possibility of time delays and costs increases resulting from (i) design and construction problems and resulting change orders, (ii) insolvency, bankruptcy or default of contractors, (iii) environmental litigation or environmental administrative matters, (iv) the unavailability or cost of acquiring right-of-way, (v) archeological, historic and unidentified subsurface conditions, (vi) utility relocation problems, (vii) hazardous materials, (viii) force majeure events, (ix) litigation, or (x) inflation (whether due to general price levels or specific prices such as relating to labor, materials or other components of the cost of particular project). As a result, there can be no assurance that the costs of completion for the capital improvement program will not exceed current estimates, or that the completion of such projects will not be delayed beyond the scheduled completion date. Variations in cost estimates and delays in construction could be material.</p>
<p>Transportation Consultant's Report</p>	<p>The annual transaction and gross toll revenue forecasts for the Bridge contained in the Transportation Consultant's Report are based upon certain assumptions set forth or incorporated therein. The Transportation Consultant's Report is not a guarantee of any future events or trends and the forecasts therein are subject to future economic and social conditions and demographic developments that cannot be predicted with certainty. Further, the estimates and assumptions in the Transportation Consultant's Report are inherently subject to significant economic and competitive uncertainties and contingencies, many of which are beyond the control of the Authority. Failure to achieve or realize any of the assumptions listed in the Transportation Consultant's Report may have a materially adverse effect upon the gross toll revenues actually realized by the Authority.</p>
<p>Adverse changes in the financial condition of third-party financial institutions and other market disruptions</p>	<p>Adverse changes in the financial condition of certain third-party financial institutions may adversely affect the Authority's financial position. Different types of investment and contractual arrangements may create exposure for the Authority to such institutions including:</p> <ul style="list-style-type: none"> * Risk to the Authority's investment portfolio due to defaults or changes in market valuation of the debt securities of such institutions.

If the Authority experiences financial problems, delays in payment or losses on the Series 2019 Bonds may result

Adverse changes in the Authority's financial condition could result in a failure to make its payments, or delay in payments, to the Trustee with respect to the Series 2019 Bonds. In addition to a potential decline in revenues, the Authority's financial condition could be adversely affected by a number of factors including, but not limited to:

- i. Increased and/or unanticipated costs of operation of the Crossing Facilities;
- ii. Decreased toll revenues due to declines in usage or otherwise;
- iii. Work stoppage, slowdown or action by unionized employees;
- iv. Complete or partial destruction or temporary closure of the Crossing Facilities due to events beyond the control of the Authority;
- v. Increased unfunded healthcare and other non-pension post-employment benefits;
- vi. Increased pension costs;
- vii. Increased capital costs, maintenance costs or lost revenues due to business interruption, related to factors such as unanticipated or latent structural or geological issues impacting bridges, homeland security concerns, natural disasters or extreme weather conditions (whether in connection with climate change or otherwise);
- viii. Cyber-attacks or other malicious activities; and
- ix. Increased fuel costs.

SPRINGING AMENDMENTS TO THE TRUST AGREEMENT

Supplemental Trust Agreement Number 12 includes certain amendments to the Trust Agreement. See APPENDIX G – “Form of Bondholder Consent to Trust Agreement Amendments” which sets out in full the proposed amendments to the Trust Agreement (the “Springing Amendments”). Each of the Springing Amendments requires the consent of the holders of a majority in principal amount of the Outstanding Bonds. IT IS A CONDITION TO SUBMISSION OF AN ORDER FOR THE PURCHASE OF SERIES 2019 BONDS DURING THE ORDER PERIOD FOR THE PURCHASER OF A BENEFICIAL INTEREST TO CONSENT TO SUCH SPRINGING AMENDMENTS. SEE APPENDIX G FOR THE FORM OF THE REQUIRED BONDHOLDER CONSENT TO SUCH SPRINGING AMENDMENTS. After the order period, consent to such amendments is requested in the form attached as APPENDIX G but is not required as a condition to purchase. The Underwriters will not provide consent to any Springing Amendment on behalf of any Series 2019 Bond purchaser. The below referenced amendments will become effective, only if, and when, the necessary percentage of consents is obtained or otherwise results (e.g., due to Bonds of non-consenting holders ceasing to be Outstanding under the Trust Agreement or through the issuance of Additional Bonds to which such purchasers also consent); provided however, that the necessary consents must be obtained by the Authority within two-years after the date of the first mailing of the Springing Amendments to the holders of the Bonds (which period shall extend to and include September 4, 2021). If the Authority does not obtain the requisite amount of consents to the Springing Amendments in such time, then the Springing Amendments will not become effective. The Authority expects to post a notice on the Electronic Municipal Market Access (EMMA) system if and when the Springing Amendments have received the required consents and are in effect.

The following description of the Springing Amendments is qualified by reference to the Supplemental Trust Agreement Number 12. The Springing Amendments include changes: (i) modifying the definition of Investment Obligations, (ii) modifying certain Net Revenue testing periods related to the incurrence of Additional Bonds from an 18-month test period to a 24-month test period, and (iii) removing the requirement for the Trustee to make monthly deposits into the Reserve Maintenance Fund so long as the balance on deposit therein as of any Deposit Date is at least \$4,000,000.

EXISTING RELATIONSHIPS

Parker McCay P.A., New Jersey Counsel to the Authority, from time to time, provides legal services to Citigroup Global Markets Inc., one of the underwriters of the Series 2019 Bonds, in various matters unrelated to the Series 2019 Bonds.

LITIGATION

As an operating entity, the Authority is party to various litigation, none of which, in the opinion of the Authority, is expected to have a material adverse effect on the Authority's financial condition or its ability to perform its obligations under the Trust Agreement.

There is no litigation pending or, to the knowledge of the Authority, threatened in any court or administrative body, questioning the enforceability of the Compact, the existence of the Authority, the validity of the Series 2019 Bonds, or any proceedings of the Authority taken with respect to the issuance or sale thereof, or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2019 Bonds or questioning the power of the Authority to collect, pledge and assign the Revenues, or to pay the Series 2019 Bonds as provided in the Trust Agreement.

UNDERWRITING

J.P. Morgan Securities LLC, as the representative on behalf of itself and on behalf of Citigroup Global Markets Inc. (collectively, the "Underwriters"), has entered into a bond purchase agreement (the "Purchase Agreement") with the Authority pursuant to which the Underwriters have jointly and severally agreed, subject to certain customary conditions precedent to closing, to purchase the Series 2019 Bonds from the Authority at a purchase price equal to \$_____ (representing the par amount of the Series 2019 Bonds [plus/less] [net] original issue [premium/discount] of \$_____ less an Underwriters' discount of \$_____). Pursuant to the Purchase Agreement, the Underwriters will be obligated to purchase all of the Series 2019 Bonds if any of such Series 2019 Bonds are purchased.

The Series 2019 Bonds may be offered and sold to certain dealers (including the Underwriters and other dealers depositing such Series 2019 Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

J.P. Morgan Securities LLC ("JPMS"), one of the underwriters of the Series 2019 Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2019 Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2019 Bonds that such firm sells.

Citigroup Global Markets Inc., an underwriter of the Series 2019 Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "Fidelity"). Under this distribution agreement, Citigroup Global Markets Inc.

may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

AUDITED FINANCIAL STATEMENTS

The financial statements of the Authority as of and for the years ended December 31, 2018 and December 31, 2017 contained in APPENDIX B – “Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2018” have been audited by CliftonLarsonAllen LLP, in its capacity as Independent Auditor, as stated in their reports appearing therein.

TRANSPORTATION CONSULTANT

The Transportation Consultant’s Report included as APPENDIX A to this Official Statement has been prepared by CDM Smith, Boston, Massachusetts. The Transportation Consultant’s Report is based on historical data provided by the Authority and certain other factors. This report has been included in this Official Statement in reliance on the Transportation Consultant’s knowledge, expertise and experience in examining and projecting such matters. Unanticipated events and circumstances may occur which would affect the forecasts contained therein. Therefore, the actual results achieved during the forecast period may vary materially from those forecasted.

FINANCIAL ADVISOR

The Authority has retained Brown Advisory, LLC, Baltimore, Maryland, as Financial Advisor. The Financial Advisor has assisted in matters relating to the issuance and sale of the Series 2019 Bonds by the Authority.

RATINGS

Moody’s Investors Service (“Moody’s”) and S&P Global Ratings, business unit of Standard & Poor’s Financial Services LLC (“S&P”), have assigned the Series 2019 Bonds ratings of “A1” (Outlook: Stable) and “A” (Outlook: Stable), respectively.

An explanation of the significance of each rating may be obtained from the appropriate rating agency. Generally, rating agencies base their ratings on materials and information provided by the issuer of bonds, and on their own investigations, studies and assumptions. A securities rating is not a recommendation to buy, sell or hold securities. There is no assurance that any rating will be maintained for any given period of time or that any such rating will not be adjusted or withdrawn entirely. Any reduction or withdrawal of any rating may have an adverse effect on the market prices of the Series 2019

Bonds. Subject to the Authority's undertakings in the Continuing Disclosure Agreement, neither the Authority nor the Underwriters have agreed to take any action with respect to any proposed rating changes or to bring any such rating change to the attention to the owners of the Series 2019 Bonds.

LEGALITY FOR INVESTMENT

Under the Compact, the Series 2019 Bonds are securities in which all State and municipal officers and bodies of the States of Delaware and New Jersey, all banks, bankers, trust companies, savings banks, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all administrators, executors, guardians, trustees and other fiduciaries and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of either State, may properly and legally invest any funds, including capital, belonging to them or within their control. The Compact further provides that the Series 2019 Bonds are securities which may properly and legally be deposited with and shall be received by any State or municipal officer or agency of either Delaware or New Jersey for any purpose for which the deposit of bonds or other obligations of such State is now or may hereafter be authorized.

TAX MATTERS

Tax Exemption-Opinion of Bond Counsel

The Internal Revenue Code of 1986, as amended (the "Code") contains provisions relating to the tax-exempt status of interest on obligations issued by governmental entities which apply to the Series 2019 Bonds. These provisions include, but are not limited to, requirements relating to the use and investment of the proceeds of the Series 2019 Bonds and the rebate of certain investment earnings derived from such proceeds to the United States Treasury Department on a periodic basis. These and other requirements of the Code must be met by the Authority subsequent to the issuance and delivery of the Series 2019 Bonds in order for interest thereon to be and remain excludable from gross income for purposes of federal income taxation. The Authority has made covenants to comply with such requirements.

In the opinion of Bond Counsel, interest [(including accrued original issue discount)] on the Series 2019 Bonds is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions. The opinion of Bond Counsel is subject to the condition that the Authority comply with all applicable federal income tax law requirements that must be satisfied subsequent to the issuance of the Series 2019 Bonds in order that interest thereon continues to be excluded from gross income. Failure to comply with certain of such requirements could cause the interest on the Series 2019 Bonds to be so includable in gross income retroactive to the date of issuance of the Series 2019 Bonds. The Authority has covenanted to comply with all such requirements. Interest on the Series 2019 Bonds is not treated as an item of tax preference under Section 57 of the Code for purposes of the federal alternative minimum tax.

In addition to the matters addressed below, prospective purchasers of the Series 2019 Bonds should be aware that ownership of the Series 2019 Bonds may result in collateral tax consequences to certain taxpayers, including but not limited to, foreign corporations, certain S corporations, financial institutions, recipients of social security and railroad retirement benefits and property or casualty insurance companies. Bond counsel expresses no opinion regarding any other federal tax consequences relating to the Series 2019 Bonds or the receipt of interest thereon. **Prospective purchasers of the Series 2019 Bonds should consult their own tax advisors as to the impact of these other tax consequences.**

In the opinion of Bond Counsel, under the Compact, the Series 2019 Bonds, their transfer and the interest paid thereon or income therefrom (including any profits made on the sale or exchange thereof) shall at all times be free from taxation by the State of Delaware and the State of New Jersey, or any political subdivisions thereof, but such exemption does not extend to estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the Series 2019 Bonds or the income therefrom.

Deduction for Interest Paid by Financial Institutions to Purchase or Carry Tax-Exempt Obligations

The Code, subject to limited exceptions not applicable to the Series 2019 Bonds, denies the interest deduction for indebtedness incurred or continued to purchase or carry tax-exempt obligations, such as the Series 2019 Bonds. With respect to banks, thrift institutions and other financial institutions, the denial to such institutions is one hundred percent (100%) for interest paid on funds allocable to the Series 2019 Bonds and any other tax-exempt obligations acquired after August 7, 1986.

[Accounting Treatment of Original Issue Discount and Amortizable Bond Premium]

The Series 2019 Bonds maturing on _____ are hereinafter referred to as the "Discount Bonds." In the opinion of Bond Counsel, the difference between the initial public offering price of the Discount Bonds set forth on the cover page hereof and the stated redemption price at maturity of each such Bond constitutes "original issue discount," all or a portion of which will, on the disposition or payment of such Bonds, be treated as tax-exempt interest for federal income tax purposes. Original issue discount will be apportioned to an owner of the Discount Bonds under a "constant interest method," which utilizes a periodic compounding of accrued interest. If an owner of a Discount Bond who purchases it in the original offering at the initial public offering price owns that Discount Bond to maturity, that Bondholder will not realize taxable gain for federal income tax purposes upon payment of the Discount Bond at maturity. An owner of a Discount Bond who purchases it in the original offering at the initial public offering price and who later disposes of the Discount Bond prior to maturity will be deemed to have accrued tax-exempt income in a manner described above; amounts realized in excess of the sum of the original offering price of such Discount Bond and the amount of accrued original issue discount will be taxable gain.

Purchasers of Discount Bonds should consider possible state and local income, excise or franchise tax consequences arising from original issue discount on the Discount Bonds. Prospective purchasers of the Discount Bonds should consult their tax advisors regarding the Pennsylvania tax treatment of original issue discount.

The Series 2019 Bonds maturing on _____ are hereinafter referred to as the "Premium Bonds." An amount equal to the excess of the initial public offering price of a Premium Bond set forth on the inside cover page over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the purchaser's basis in such Premium Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed.

Purchasers of any Premium Bonds should consult their own tax advisors with respect to the determination and treatment of original issue premium for federal income tax purposes and with respect to state and local tax consequences of owning Premium Bonds.

Reportable Payments and Backup Withholding

Under 2006 amendments to the Internal Revenue Code, payments of interest on the Series 2019 Bonds will be reported to the Internal Revenue Service by the payor on Form 1099 unless the Series 2019 is an “exempt person” under Section 6049 of the Code. A Bondholder who is not an exempt person may be subject to “backup withholding” at a specified rate prescribed in the Code if the Series 2019 does not file Form W-9 with the payor advising the payor of the Series 2019 Bond’s taxpayer identification number. Bondholders should consult with their brokers regarding this matter.

The Trustee will report to the Bondholders and to the Internal Revenue Service for each calendar year the amount of any “reportable payments” during such year and the amount of tax withheld, if any, with respect to payments made on the Series 2019 Bonds.

CHANGES IN FEDERAL LAW

Legislative or administrative actions and court decisions, at either the federal or state level, could have an impact on the treatment of interest on the Series 2019 Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2019 Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or otherwise. It cannot be predicted whether or in what form any such proposals may be enacted or whether if enacted, such proposals would apply to bonds issued prior to enactment. In addition, regulatory or other actions are from time to time announced or proposed which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Series 2019 Bonds. It cannot be predicted whether any such regulatory or other actions will be implemented or whether the Series 2019 Bonds would be impacted thereby.

Purchasers of the Series 2019 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulations or other potential changes in law. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2019 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulations or other potential changes in law.

CONTINUING DISCLOSURE

Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “Rule”), prohibits an underwriter from purchasing or selling municipal securities, such as the Series 2019 Bonds, unless it has determined that the issuer of such securities and/or other persons deemed to be material “obligated persons” (each, a “MOP”) have committed to provide: (i) on an annual basis, certain financial information, including audit financial statements and operating data (“Annual Reports”), to the Municipal Securities Rulemaking Board (the “MSRB”) via its Electronic Municipal Market Access system (“EMMA”); and (ii) notice of various events described in the Rule (“Event Notices”), to the MSRB, via EMMA.

The Authority will agree for the benefit of the respective beneficial owners of the Series 2019 Bonds, by executing a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”), in connection with the issuance of the Series 2019 Bonds, to provide Annual Reports and, if applicable, Event Notices, with respect to itself to the MSRB, via EMMA. The Authority has determined that there currently is no other MOP for purposes of the Rule. The form of the Continuing Disclosure Agreement is attached as APPENDIX E to this Official Statement.

The Authority has taken steps to ensure its compliance with its continuing disclosure obligations, including, but not limited to, utilization of the notification service provided by EMMA to ensure the Authority timely files its Annual Reports and Event Notices.

APPROVAL OF LEGAL PROCEEDINGS

The authorization and issuance of the Series 2019 Bonds are subject to the issuance of a legal opinion as to validity by Saul Ewing Arnstein & Lehr LLP, Bond Counsel, whose legal opinion will be available at the time of delivery of the Series 2019 Bonds. The text of the opinion of Bond Counsel substantially in the form which will be delivered upon the date of issuance of the Series 2019 Bonds is attached hereto as APPENDIX F. Certain legal matters will be passed upon for the Authority by Morris, Nichols, Arsht & Tunnell LLP, Wilmington, Delaware, Delaware Counsel, and Parker McCay P.A., Mount Laurel, New Jersey, New Jersey Counsel; and for the Underwriters by Cozen O'Connor, Philadelphia, Pennsylvania and Wilmington, Delaware.

The various legal opinions to be delivered concurrently with the delivery of the Series 2019 Bonds express the professional judgments of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction. The rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

MISCELLANEOUS

The agreement of the Authority with the holders of the Series 2019 Bonds is set forth in full in the Trust Agreement, and neither any advertisement of the Series 2019 Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2019 Bonds. So far as any statements are made in this Official Statement involving estimates, projections or matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

The execution and distribution of this Official Statement by the undersigned and its distribution to prospective purchasers have been duly authorized by the Authority.

THE DELAWARE RIVER AND BAY AUTHORITY

By: /s/
Executive Director