NEW ISSUE – BOOK ENTRY ONLY **RATINGS: See "RATINGS" herein.**

In the opinion of Bond Counsel, interest on the 2015 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 2015 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 individual and corporate alternative minimum taxes. However, under the Code, such interest may be subject to certain other taxes affecting corporate holders of the 2015 Bonds. Under existing law, the 2015 Bonds, interest on the 2015 Bonds and their transfer shall be exempt from taxation by the State of Delaware and its political subdivisions except for estate, inheritance or gift taxes imposed by the State of Delaware. For a more complete discussion, see "TAX MATTERS" herein.

$212,535,000
DELAWARE TRANSPORTATION AUTHORITY
U.S. 301 Project Revenue Bonds, Series of 2015

The U.S. 301 Project Revenue Bonds, Series of 2015 (the "*2015 Bonds*") will be issued as fully-registered bonds by the Delaware Transportation Authority (the "*Authority*"). The Authority is issuing the 2015 Bonds pursuant to the Master Indenture of Trust, dated as of December 1, 2015 (the "*Master Indenture*"), and the First Supplemental Indenture of Trust, dated as of December 1, 2015 (the "*First Supplemental Indenture*", and together with the Master Indenture, the "*Indenture*"), each by and between the Authority and Wilmington Trust, National Association, as trustee (the "*Trustee*"). The 2015 Bonds, and any Parity Obligations (as defined herein), constitute limited obligations of the Authority secured by and payable from, in the first instance, a lien on, pledge of, and security interest in the Pledged Funds (as defined herein), which consists primarily of Tolls from a new U.S. 301 toll road (the "New U.S. 301 Project"). The Authority also intends to issue its TIFIA Series 2015 Bond (as defined herein) to USDOT (as defined herein) which will be a limited obligation of the Authority secured by and payable from a subordinated lien on the Pledged Funds; provided, however, upon the occurrence of a Bankruptcy-Related Event (as defined herein), the TIFIA Series 2015 Bond shall automatically and without notice or action be deemed to constitute senior lien debt secured on parity with the 2015 Bonds and any Parity Obligations, all as further described herein. Furthermore, the 2015 Bonds, and the TIFIA Series 2015 Bond, shall also be secured by a subordinate lien on the Authority's Pledged TTF Revenues (as defined herein). Capitalized terms used on this cover page and not otherwise defined shall have the meanings assigned to them herein or in "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Definitions."

The 2015 Bonds are being issued as Current Interest Bonds. Interest on the 2015 Bonds will accrue from the date of initial delivery thereof, and will be payable on each June 1 and December 1, commencing June 1, 2016.

The 2015 Bonds initially are issuable only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("*DTC*"), pursuant to the Book-Entry System described herein. Beneficial ownership of the 2015 Bonds may be acquired in principal denominations of $1,000, or any integral multiple thereof. Debt service payments on the 2015 Bonds will be payable by the Trustee to DTC, which will make distribution of the amounts so paid to the beneficial owners thereof. See "THE 2015 BONDS - Book-Entry System" and "APPENDIX G - BOOK-ENTRY SYSTEM" herein.

The 2015 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See "THE 2015 BONDS - Redemption."

A portion of the proceeds of the 2015 Bonds, together with certain other funds described herein, will be used to finance a portion of the costs of designing, engineering, developing and constructing the New U.S. 301 Project, as more particularly described herein. The remaining proceeds of the 2015 Bonds will be used to (i) pay capitalized interest on the 2015 Bonds, (ii) make a deposit to the Bond Proceeds Funded Account of the Reserve Fund, and (iii) pay certain costs of issuance of the 2015 Bonds, all as more fully described herein. See "ESTIMATED SOURCES AND USES OF BOND PROCEEDS." Amounts held in the Bond Proceeds Funded Account of the Reserve Fund are held solely for the benefit of the holders of the 2015 Bonds.

Investment in the 2015 Bonds is subject to numerous risks. See "RISK FACTORS" herein.

This cover page contains information for quick reference only. It is not a summary of the 2015 Bonds. Potential investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

THE 2015 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF DELAWARE (THE "*STATE*") OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE DELAWARE DEPARTMENT OF TRANSPORTATION (THE "*DEPARTMENT*"), OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE, ANY POLITICAL SUBDIVISION THEREOF, THE DEPARTMENT OR THE AUTHORITY, BUT SHALL BE PAYABLE SOLELY FROM THE PLEDGED FUNDS AND PLEDGED TTF REVENUES. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF, NOR THE DEPARTMENT, NOR THE AUTHORITY SHALL BE OBLIGATED TO PAY THE 2015 BONDS OR THE INTEREST THEREON EXCEPT FROM SUCH SOURCES, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE 2015 BONDS. THE 2015 BONDS ARE NOT A GENERAL OBLIGATION OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

The 2015 Bonds are offered when, as and if issued and received by the Underwriters, subject to the issuance of a legal opinion as to validity by Bond Counsel, Saul Ewing LLP, Wilmington, Delaware, Bond Counsel to the Authority, and certain other conditions. Certain legal matters will be passed upon for the Authority by a Deputy Attorney General of the State of Delaware. Certain legal matters will be passed upon for the Underwriters by their counsel, Cozen O'Connor, Wilmington, Delaware and Philadelphia, Pennsylvania. It is anticipated that the 2015 Bonds will be available for delivery through the book-entry facilities of DTC on or about December 16, 2015.

BofA Merrill Lynch

Citigroup **J.P. Morgan** **M&T Securities, Inc.**

Dated: December 2, 2015

MATURITY SCHEDULE

2015 BONDS

Due (June 1)	Principal Amount ($)	Interest Rate (%)	Price	Yield (%)	CUSIP†
2021	$3,220,000	5.000%	117.531	1.630%	246430AE2
2022	5,225,000	5.000	119.225	1.830	246430AF9
2023	5,675,000	5.000	120.689	2.000	246430AG7
2032	1,285,000	3.250	97.996	3.410	246430AK8
2033	1,450,000	3.375	98.376	3.500	246430AH5
2034	2,450,000	3.500	99.058	3.570	246430AJ1
2035	3,200,000	3.500	98.333	3.620	246430AA0
2036	3,500,000	3.500	97.991	3.640	246430AL6
2037	4,000,000	3.500	97.344	3.680	246430AM4
2038	2,250,000	3.625	98.112	3.750	246430AN2
2039	3,395,000	5.000	114.413*	3.220	246430AP7
2040	520,000	3.750	99.364	3.790	246430AB8
2040	3,140,000	5.000	114.325*	3.230	246430AR3

$18,400,000 5.000% Term Bonds due June 1, 2045, Priced at 114.062* to Yield 3.260% CUSIP† 246430AQ5

$13,050,000 4.000% Term Bonds due June 1, 2045, Priced at 102.374* to Yield 3.700% CUSIP† 246430AC6

$141,775,000 5.000% Term Bonds due June 1, 2055, Priced at 110.967* to Yield 3.620% CUSIP† 246430AD4

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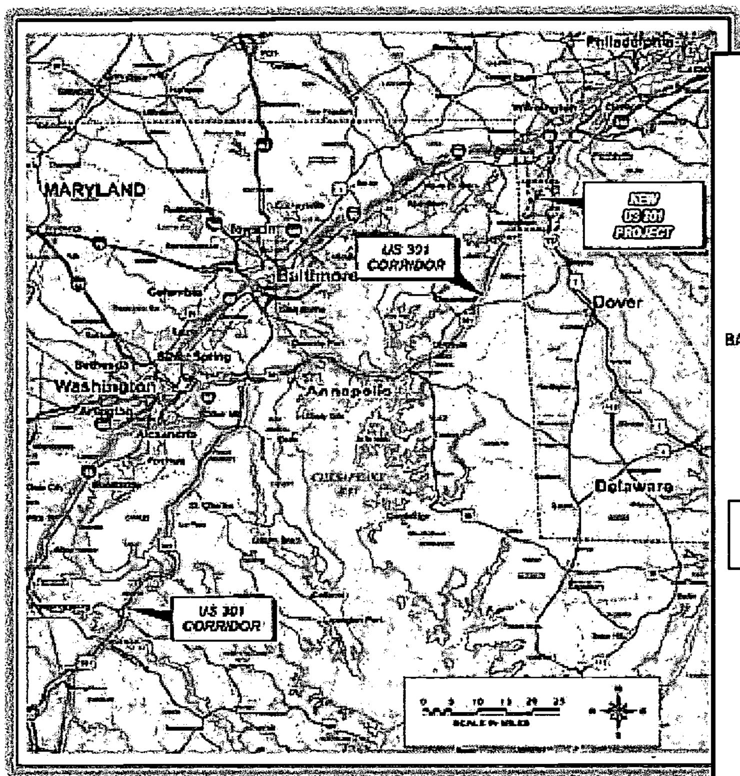
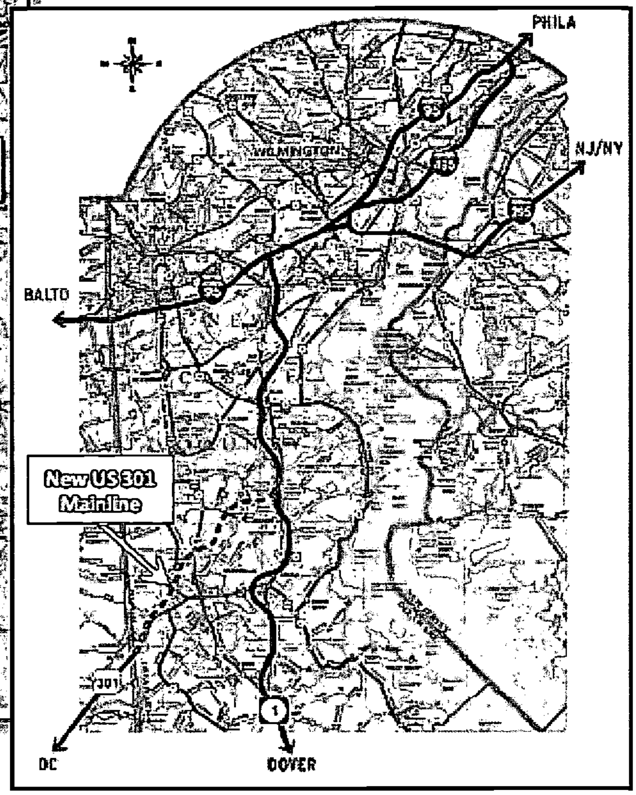
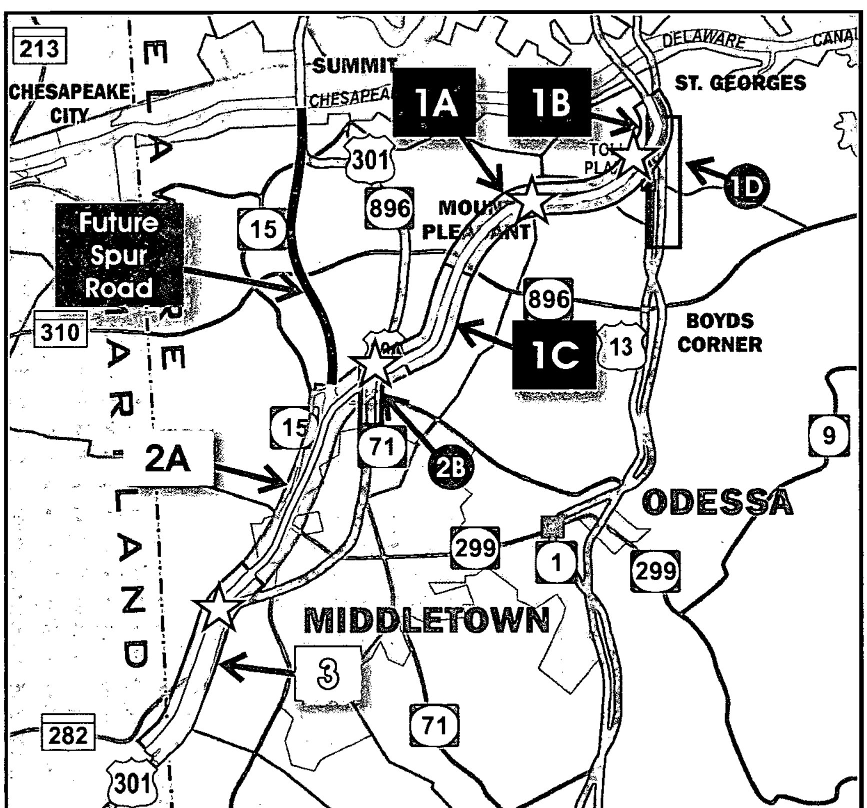
* Priced to first call date of June 1, 2025.

† CUSIP numbers have been assigned to these issues by CUSIP Global Services, managed by Standard & Poor's Services LLC on behalf of The American Bankers Association, and are included solely for the convenience of the owners of the 2015 Bonds. Neither the Authority nor the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers set forth herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2015 Bonds as a result of various subsequent actions, including but not limited to, a refunding in whole or in part of such maturity, or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the 2015 Bonds.







New US 301 Mainline

Interchange

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DELAWARE TRANSPORTATION AUTHORITY

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Wilmington, Delaware

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This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2015 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. This Official Statement is not to be construed as a contract with the purchasers of the 2015 Bonds. Neither the delivery of this Official Statement nor the sale of any of the 2015 Bonds implies that the information herein is correct as of any time subsequent to the date hereof. 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 matters described herein since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein and may not be reproduced or be used, as a whole or in part, for any other purpose.

The information set forth herein has been obtained from the Authority and other sources believed to be reliable. The information and expressions of opinions herein are subject to change without notice and neither delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof. All summaries contained herein of the Indenture (as defined herein) or other documents are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. All statements made herein are made as of the date of this document by the Authority except statistical information or other statements where some other date is indicated in the text.

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 to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2015 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL ON THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE 2015 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Official Statement constitute forward-looking statements. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget," "forecast," "assume" and other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the forecasts of the Authority in any way, regardless of the level of optimism communicated in the information. The Authority is not obligated to issue any updates or revisions to the forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based do or do not occur.

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OFFICIAL STATEMENT
relating to

$212,535,000
DELAWARE TRANSPORTATION AUTHORITY
U.S. 301 Project Revenue Bonds, Series of 2015

INTRODUCTION

General

This Official Statement (this *"Official Statement"*) contains certain information relating to the offering and sale by the Delaware Transportation Authority (the *"Authority"*) of its $212,535,000 U.S. 301 Project Revenue Bonds, Series of 2015 (the *"2015 Bonds"*). References to *"Parity Obligations"* herein shall mean the 2015 Bonds and all other Bonds, Parity Swap Agreements and Reimbursement Obligations (as each such term is defined herein), authorized by, issued in accordance with, and at any time Outstanding pursuant to the Indenture and shall also include that portion of any TIFIA Indebtedness (as defined herein) held by the United States Department of Transportation (*"USDOT"*), acting by and through the Federal Highway Administrator (the *"TIFIA Lender"*) following the occurrence of a Bankruptcy-Related Event (as defined herein). As used in this Official Statement, the "Indenture" shall mean the Master Indenture of Trust, dated as of December 1, 2015 (the *"Master Indenture"*), by and between the Authority and Wilmington Trust, National Association, as trustee (the *"Trustee"*), as supplemented by the First Supplemental Indenture of Trust, dated as of December 1, 2015 (the *"First Supplemental Indenture,"* and together with the Master Indenture and the First Supplemental Indenture, the *"Indenture"*), by and between the Authority and the Trustee, as the same may be amended or supplemented from time to time in accordance with the terms of the Master Indenture. Capitalized terms used in this Official Statement that are not otherwise defined herein shall have the meanings assigned to them in "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

The Authority also intends to issue pursuant to the Indenture its Subordinated U.S. 301 Project Revenue Bond, TIFIA Series of 2015 to the USDOT on or about December 3, 2015 in a principal amount not exceeding $211,350,000 (excluding any interest that accretes until the Debt Service Payment Commencement Date, as such term is defined in the TIFIA Loan Agreement defined below)(the "*TIFIA Series 2015 Bond*"). On each June 1 and December 1 occurring during the Capitalized Interest Period (as such term is defined in the TIFIA Loan Agreement defined below), interest accrued on the TIFIA Series 2015 Bond in the six (6) month period ending immediately prior to such date shall be capitalized and added to the Outstanding TIFIA Loan Balance (as such term is defined in the TIFIA Loan Agreement). Thus, the principal amount of the TIFIA Series 2015 Bond will increase above the $211,350,000 principal amount noted above by the amount of accrued capitalized interest during the Capitalized Interest Period. The TIFIA Series 2015 Bond, together with any other loan from USDOT to the Authority relating to the New U.S. 301 Project (as defined herein), are hereinafter referred to as the "*TIFIA Indebtedness*". The TIFIA Series 2015 Bond will be issued pursuant to the Indenture, and a Second Supplemental Indenture of Trust dated as of December 1, 2015 (the "*Second Supplemental Indenture*") and pursuant to a TIFIA Loan Agreement, dated as of the closing date of the TIFIA Series 2015 Bond, between the Authority and USDOT (the "*TIFIA Loan Agreement*"). The proceeds of the 2015 Bonds and the TIFIA Series 2015 Bond will provide a portion of the financing necessary for the construction of the New U.S. 301 Project. When issued, the TIFIA Series 2015 Bond will be a limited obligation of the Authority secured by and payable from a subordinated lien on the Pledged Funds, except that from and after the occurrence of a Bankruptcy-Related Event, the TIFIA Series 2015 Bond shall automatically and without notice or action constitute senior lien debt secured on parity with the 2015 Bonds and other Parity Obligations; provided, however, holders of the TIFIA Series 2015 Bond shall have no rights in, or claim to, any amounts on deposit in the Bond Proceeds Funded Account (as defined herein) of the Reserve Fund (as defined herein).

This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and matters of opinion, or that they will be realized. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Sources of Payment and Security

The 2015 Bonds are limited obligations of the Authority payable from and secured by, in the first instance, a lien on, pledge of and security interest in the Pledged Funds, including all Tolls derived from vehicular use of a new U.S. 301 toll road, on an equal and ratable basis with any Parity Obligations issued in accordance with the provisions of the Indenture. The TIFIA Series 2015 Bond shall be secured by a subordinate lien on the Pledged Funds; ***provided however, that upon the occurrence of a Bankruptcy-Related Event, the TIFIA Series 2015 Bond shall be secured on a parity with the 2015 Bonds and other Parity Obligations***. The 2015 Bonds, together with the TIFIA Series 2015 Bond, any other Bonds, Parity Obligations and/or Subordinated Indebtedness issued pursuant to the Indenture and which meet the requirements of Supplemental Agreement No. 27 (as defined herein), shall also be secured by a subordinate lien on the Pledged TTF Revenues of the Authority on a subordinated basis to senior bonds and junior bonds issued under the Authority's 1988 Trust Agreement (as defined therein).

The Pledged Funds are comprised of the following: (i) all Revenues, including all Tolls derived from the New U.S. 301 Project; and (ii) moneys on deposit in any fund or account held by or for the benefit of the Trustee under the Indenture except the Rebate Fund and any Series Credit Facility Fund. See "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS."

The Pledged Funds securing the 2015 Bonds include amounts held in the Bond Proceeds Funded Account of the Reserve Fund. On the date of delivery of the 2015 Bonds, proceeds of the 2015 Bonds in the amount of $16,821,186.03, representing the Reserve Fund Requirement for the 2015 Bonds, will be deposited in the Bond Proceeds Funded Account of the Reserve Fund, and shall be applied pursuant to the Indenture to make up any shortfall in the payment of interest, principal and/or redemption price (excluding any redemption premium) due on the 2015 Bonds. Funds held in the Bond Proceeds Funded Account of the Reserve Fund shall secure all 2015 Bonds and Parity Obligations related thereto; provided, however, that the TIFIA Series 2015 Bond shall have no rights in, or claim to, any amounts on deposit in the Bond Proceeds Funded Account of the Reserve Fund for the 2015 Bonds. See "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS - Bond Proceeds Funded Account."

The Pledged Funds also include amounts, if any, held in the Toll Stabilization Fund. The Toll Stabilization Fund is to be funded monthly from surplus Revenues transferred by the Authority to the Trustee up to an amount equal to the lesser of $35,000,000 or the outstanding balance due on the TIFIA Indebtedness (the *"TSF Minimum Fund Balance"*). Amounts on deposit in the Toll Stabilization Fund shall be applied pursuant to the Indenture, inter alia, to make up any shortfall in the payment of interest, principal and/or redemption price (excluding any redemption premium) due on the 2015 Bonds or the TIFIA Series 2015 Bond. Funds held in the Toll Stabilization Fund shall secure the Bonds, including the 2015 Bonds, Parity Obligations and any Subordinated Indebtedness, including the TIFIA Series 2015 Bond. See "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS - Toll Stabilization Fund."

Pursuant to Supplemental Agreement No. 27 to the 1988 Trust Agreement, the 2015 Bonds, the TIFIA Series 2015 Bond, and any other Bonds, Parity Obligations and/or Subordinated Indebtedness issued pursuant to the Indenture and which meet the requirements of Supplemental Agreement No. 27 to the 1988 Trust Agreement, are granted a subordinate lien on the Pledged TTF Revenues. See "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS – Funds and Accounts; Flow of Funds; Subordinated Lien on Pledged TTF Revenues."

THE 2015 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF DELAWARE (THE "*STATE*") OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE DELAWARE DEPARTMENT OF TRANSPORTATION (THE "*DEPARTMENT*"), OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE, ANY POLITICAL SUBDIVISION THEREOF, THE DEPARTMENT OR THE AUTHORITY, BUT SHALL BE PAYABLE SOLELY FROM THE PLEDGED FUNDS AND PLEDGED TTF REVENUES. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF, NOR THE DEPARTMENT, NOR THE AUTHORITY SHALL BE OBLIGATED TO PAY THE 2015 BONDS OR THE INTEREST THEREON EXCEPT FROM SUCH SOURCES, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE 2015 BONDS. THE 2015 BONDS ARE NOT A GENERAL OBLIGATION OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

The New U.S. 301 Project

The "*New U.S. 301 Project*" is a Delaware transportation project consisting of the construction and equipping of a new U.S. 301 toll road. The New U.S. 301 Project is comprised of (i) a new 14-mile long, access controlled toll highway (including the construction of any necessary support-facility for the new road) with two lanes in each direction that will connect existing U.S. 301 at the Maryland/Delaware State Line with SR 1, south of the Roth Bridge, over the Chesapeake and Delaware (C&D) Canal in southern New Castle County, Delaware (the "*New U.S. 301 Mainline*") and (ii) a new U.S. 301 Spur Road, which is a limited access highway, on a new location with one lane in each direction from the New U.S. 301 Mainline in the vicinity of Armstrong Corner Road to the Summit Bridge crossing of the C&D Canal, a distance of 3.5 miles (the "*U.S. 301 Spur Road*"), including interchanges, related collector-distributor roads, auxiliary lanes, maintenance facilities and toll collection facilities. The New U.S. 301 Project in conjunction with existing SR 1 will provide an expressway facility from the Maryland/Delaware state line to I-95, I-495 and I-295, near Wilmington, Delaware and destinations north to Philadelphia, Pennsylvania and southern New Jersey. ***Proceeds of the 2015 Bonds will be used to finance (i) only that portion of the New U.S. 301 Project that consists of the construction and equipping of the New U.S. 301 Mainline; (ii) capitalized interest on the 2015 Bonds during construction; (iii) a deposit to the Bond Proceeds Funded Account of the Reserve Fund; and (iv) the costs associated with financing the 2015 Bonds*** (collectively, the "*2015 Project*"). Proceeds from the TIFIA Series 2015 Bond will be used to finance eligible costs of the New U.S. 301 Project as set forth in the TIFIA Loan Agreement.

For additional information regarding the 2015 Project, see "THE NEW U.S. 301 PROJECT," "CONSTRUCTION OF THE NEW U.S. 301 PROJECT" and "OPERATION AND MAINTENANCE OF THE NEW U.S. 301 PROJECT" herein.

Plan of Finance

General. The total acquisition, engineering and construction cost of the New U.S. 301 Mainline is estimated to be approximately $643 million, including capitalized interest, debt service reserves and costs of issuance. The New U.S. 301 Mainline will be or has been financed with (i) $125,000,000 of proceeds from the issuance of the Authority's Grant Anticipation Bonds, Series 2010 (the "*2010 GARVEE Bonds*"), (ii) available funds of the Authority, in the amount of $11,816,000, (iii) Federal

Highway funds, in the amount of $54,000,000, (iv) proceeds of the 2015 Bonds in the par amount of $212,535,000 and (v) proceeds of the TIFIA Series 2015 Bond in a principal amount of up to $211,350,000, all as more fully described herein. See "ESTIMATED SOURCES AND USES OF BOND PROCEEDS."

2010 Garvee Bonds. Pursuant to a Master Trust Agreement dated as of June 1, 2010 (the "*GARVEE Trust Agreement*") between the Authority and Wilmington Trust Company, as trustee, the Authority previously issued its 2010 GARVEE Bonds in the aggregate principal amount of $113,490,000 to fund (i) the final planning and design of the New U.S. 301 Mainline, (ii) the acquisition of right-of-ways for the New U.S. 301 Mainline, (iii) the costs of utility relocation, (iv) the construction and equipping of the New U.S. 301 Mainline, and (v) the costs of issuing the 2010 GARVEE Bonds. The 2010 GARVEE Bonds are secured solely by the Authority's right, title and interest in the GARVEE Financing and Pledge Agreement dated as of June 1, 2010 by and between the Delaware Department of Transportation (the "*Department*") and the Authority, including the Department's pledge, transfer and assignment of its rights in the Pledged Federal Aid (as defined in the GARVEE Trust Agreement) contained therein.

TIFIA Indebtedness. The Authority shall incur TIFIA Indebtedness by entering into the TIFIA Loan Agreement with USDOT, acting by and through the TIFIA Lender, in order to obtain a loan to pay eligible costs in the approximate principal amount of up to $211,350,000 (excluding any interest that accretes until the Debt Service Payment Commencement Date, as such term is defined in the TIFIA Loan Agreement) under the Transportation Infrastructure Finance and Innovation Act of 1998 ("*TIFIA*"). On each June 1 and December 1 occurring during the Capitalized Interest Period (as such term is defined in the TIFIA Loan Agreement), interest accrued on the TIFIA Series 2015 Bond in the six (6) month period ending immediately prior to such date shall be capitalized and added to the Outstanding TIFIA Loan Balance (as such term is defined in the TIFIA Loan Agreement). Thus, the principal amount of the TIFIA Series 2015 Bond will increase above the $211,350,000 principal amount noted above by the amount of accrued capitalized interest during the Capitalized Interest Period. Proceeds of such TIFIA Indebtedness, when drawn upon, will be used to finance a portion of the costs of the New U.S. 301 Project. The TIFIA Indebtedness will be evidenced by the TIFIA Series 2015 Bond of the Authority issued pursuant to the Master Indenture, the Second Supplemental Indenture and the TIFIA Loan Agreement. Pursuant to the Indenture, the TIFIA Series 2015 Bond will be secured first by the Pledged Funds on a basis subordinate to the 2015 Bonds, except as provided below, and second, by a subordinated lien on and pledge of the Pledged TTF Revenues pursuant to the Supplemental Agreement No. 27 to the 1988 Trust Agreement.

For a description of repayment terms, prepayment conditions, loan covenants, events of default and remedies under the TIFIA Loan Agreement, see APPENDIX D – "Form of the TIFIA Loan Agreement." Certain conditions must be met for the Authority to draw funds under the TIFIA Loan Agreement and the obligation of the TIFIA Lender to advance funds under the TIFIA Loan Agreement may be suspended or terminated. See APPENDIX D – "Form of the TIFIA Loan Agreement." The form of TIFIA Loan Agreement attached hereto as APPENDIX D is in substantially final form and is subject to such further insubstantial changes as may be agreed upon by the Authority and the TIFIA Lender subsequent to the date hereof.

Upon the occurrence of any Bankruptcy-Related Event of the Authority, the TIFIA Series 2015 Bond shall automatically and without notice or action be deemed to constitute senior lien debt secured, first, by the Pledged Funds and second, by the Pledged TTF Revenues, on parity with the 2015 Bonds and any other Parity Obligations, and shall be secured on a pro rata basis with the Bond Owners by all amounts on deposit in any Revenue Funded Account of the Reserve Fund that is established for any particular Series of Bonds; provided, however, the TIFIA Lender shall have no rights in, or claim to, any amounts on deposit in any Bond Proceeds Funded Account of the Reserve Fund that is established for any particular Series of Bonds.

Traffic and Toll Revenue Study

The Authority has engaged Jacobs Engineering Group Inc. (*"Jacobs"*) to serve as the traffic and revenue consultant for the New U.S. 301 Project. Jacobs has prepared the "Updated Toll Traffic and Revenue Study – May 2015" (the *"T&R Report"*), which together with a Supplemental Letter dated September 9, 2015 are attached hereto as APPENDIX B. **The traffic and revenue projections reached in the T&R Report are based on various assumptions. No assurances can be given that actual conditions will not materially and adversely differ from such assumed conditions.** The T&R Report is expressly subject to the limitations and disclaimers set forth therein, including qualifications and assumptions made, procedures followed, matters considered and any limitation on the scope of work contained therein. **The T&R Report attached hereto as APPENDIX B should be read in its entirety.** See "TRAFFIC AND REVENUE ESTIMATES" herein.

Additional Parity Obligations

The Indenture permits the Authority, subject to certain conditions, to issue from time to time additional Bonds and other Parity Obligations secured on a parity with the 2015 Bonds. Furthermore, subject to the priorities set forth in the Indenture for Subordinated Indebtedness and except for purposes specified in the Indenture, the TIFIA Series 2015 Bond shall be considered to be a Bond under the Indenture. See APPENDIX C – "Summary of Certain Provisions of the Indenture." Upon the occurrence of a Bankruptcy-Related Event, the TIFIA Series 2015 Bond would be secured by and payable from the Pledged Funds on a parity with the 2015 Bonds and any other Outstanding Bonds and Parity Obligations. The Indenture permits the Authority, subject to certain conditions, to issue from time to time additional Subordinated Indebtedness in the form of or securing payment of TIFIA Indebtedness, and if the Authority meets the tests for the issuance of additional Series of Bonds described in "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS – Additional Bonds – Tests for Issuance of Certain Bonds" and such Subordinated Indebtedness is structured in a similar way as the TIFIA Series 2015 Bond, such TIFIA Indebtedness may also be deemed to be secured on parity with the 2015 Bonds, other Bonds outstanding and any Parity Obligations upon the occurrence of a Bankruptcy-Related Event. See "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS - Sources of Payment - *Priority of Liens*," "- Additional Parity Obligations," "- Additional Bonds," "- Subordinated Indebtedness; TIFIA Indebtedness" and APPENDIX D – "Form of the TIFIA Loan Agreement."

The Authority

The Authority is a body corporate and politic constituting an instrumentality of the State of Delaware (the *"State"*) which has been established and is authorized to create an economical, efficient and unified system of air, water, vehicular, public and specialized transportation in the State. Actions by the Authority, including the issuance of debt, are taken by resolution of the Secretary of the Department, the Director of Finance of the Department and the Transportation Trust Fund Administrator. The Department has overall responsibility for coordinating and developing comprehensive, multi-modal transportation planning and policy for the State. The Department is headed by the Secretary of Transportation who is appointed by the Governor, subject to confirmation by the State Senate. For additional information regarding the Authority, see "DELAWARE TRANSPORTATION AUTHORITY."

Risk Factors

Investment in the 2015 Bonds involves numerous risks, some of which are discussed throughout this Official Statement. The statements contained in this Official Statement that are not purely historical, are forward-looking statements, including statements regarding the Authority's expectations, hopes, intentions or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Authority on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. See "RISK FACTORS" herein for a discussion of certain risks that should be considered in evaluating an investment in the 2015 Bonds.

THE 2015 BONDS

General

The 2015 Bonds will be dated their date of delivery and will bear interest from that date payable on June 1, 2016 and on each June 1 and December 1, computed on the basis of a 360-day year comprised of twelve 30-day months. The 2015 Bonds will mature on June 1 in the years and in the respective principal amounts, and will bear interest at the rates as shown on the inside cover of this Official Statement.

Interest on each 2015 Bond will be payable to the registered owner thereof from the latest of (i) its delivery date, (ii) the most recent Interest Payment Date to which interest has been paid thereon or duly provided for, or (iii) if the date of authentication of such 2015 Bond is after a Record Date but prior to the immediately succeeding Interest Payment Date, the Interest Payment Date immediately succeeding such date of authentication. The principal of, premium, if any, and interest on the 2015 Bonds will be payable in lawful currency of the United States of America. While the 2015 Bonds are Book-Entry Obligations, payment of debt service will be made to the Securities Depository or its Nominee, and in accordance with arrangements among the Authority, the Trustee and the Securities Depository. During any period in which the 2015 Bonds are not Book-Entry Obligations, the principal of and premium, if any, of all such 2015 Bonds will be payable by wire or check at the Principal Office of the Trustee upon the presentation and surrender of such 2015 Bonds as the same become due and payable, and the interest on the 2015 Bonds will be paid by wire or check drawn upon the Trustee and mailed on the applicable interest payment date to the persons in whose names such 2015 Bonds are registered on the registration books maintained by the Trustee at the close of business on the 15th day of the month preceding the month in which such Interest Payment Date occurs (the *"Record Date"*) for such interest payment.

Book-Entry System

DTC will act as securities depository for the 2015 Bonds. The 2015 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered 2015 Bond will be issued for each maturity and interest rate of such 2015 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. Ultimate purchasers of 2015 Bonds will not receive physical certificates representing their interest in the 2015 Bonds. Payment of the principal of and interest on the 2015 Bonds will be made directly to DTC, or its nominee, Cede & Co., by the Trustee so long as DTC or Cede & Co. is the registered owner of the 2015 Bonds. Disbursement of such payments to DTC's Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC's Participants and Indirect Participants. See "APPENDIX G - BOOK-ENTRY SYSTEM" herein.

Redemption

Optional Redemption. The 2015 Bonds shall be subject to redemption prior to their respective stated maturities, at the option of the Authority, from any source of available funds, as a whole or in part, on any date on or after June 1, 2025 at the principal amount of such 2015 Bonds called for redemption plus accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The 2015 Bonds maturing on June 1, 2045 (in the principal amount of $18,400,000), June 1, 2045 (in the principal amount of $13,050,000) and June 1, 2055 (the *"2015 Term Bonds"*), are subject to mandatory redemption prior to their stated maturity, in part, by lot, on each June 1 in each of the years and in the principal amounts as set forth below.

2015 Term Bonds Maturing June 1, 2045 in the principal amount of $18,400,000

Year	Principal
2041	$2,615,000
2042	3,565,000
2043	3,785,000
2044	4,060,000
2045†	4,375,000

† Final Maturity

2015 Term Bonds Maturing June 1, 2045 in the principal amount of $13,050,000

Year	Principal
2041	$2,220,000
2042	2,525,000
2043	2,635,000
2044	2,765,000
2045†	2,905,000

† Final Maturity

2015 Term Bonds Maturing June 1, 2055

Year	Principal	Year	Principal
2046	$8,770,000	2051	$14,490,000
2047	10,400,000	2052	16,595,000
2048	11,095,000	2053	17,615,000
2049	11,810,000	2054	18,670,000
2050	12,515,000	2055†	19,815,000

† Final Maturity

Selection of 2015 Bonds to be Redeemed. If less than all the 2015 Bonds which are eligible to be redeemed prior to their respective maturities are called for redemption, the Trustee shall redeem 2015 Bonds among the various maturities and interest rates in the order specified by the Authority in a written instrument received by the Trustee not less than 45 days prior to the date fixed for redemption. The 2015

Bonds to be redeemed from a particular maturity and interest rate shall be selected by lot in such manner as the Trustee shall determine. All or a portion of any 2015 Bond may be redeemed, but only in a principal amount equal to an Authorized Denomination. Upon surrender of any 2015 Bond for redemption in part, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof a new Series 2015 Bond or Bonds of Authorized Denominations in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Notwithstanding the foregoing paragraph, so long as the 2015 Bonds are registered in the name of Cede & Co., as nominee of DTC, and less than all of such 2015 Bonds within a maturity and interest rate are being redeemed, the 2015 Bonds to be redeemed will be determined by DTC pursuant to its procedures. Neither the Authority nor the Trustee will have any responsibility to Direct Participants. Indirect Participants, or the persons for whom Direct Participants act as nominees, with respect to the providing of notice of redemption or the selection of 2015 Bonds for redemption. See "- Book-Entry System" above.

Notice and Conditional Redemption. In the event any of the 2015 Bonds are called for redemption, the Trustee shall give notice in the name of the Authority to the Owners of the 2015 Bonds. Such notice shall be mailed by first-class mail by the Trustee not less than 20 days nor more than 45 days prior to the redemption date of such 2015 Bonds to each Owner of the 2015 Bonds at the addresses shown on the registration books maintained by the Trustee, as Registrar for the Bonds. The notice shall (i) specify the 2015 Bonds to be redeemed, the redemption date, the redemption price and the place or places where amounts due upon such redemption will be payable and, if less than all of the 2015 Bonds are to be redeemed, the numbers of the 2015 Bonds, and the portions of 2015 Bonds, to be redeemed, (ii) state any condition to such redemption, (iii) state that on the redemption date, and upon the satisfaction of any such condition, the 2015 Bonds or portions thereof to be redeemed shall cease to bear interest, and (iv) state that a new 2015 Bond, maturing on the same date and bearing interest at the same rate and in the same principal amount as the unredeemed portion of any 2015 Bond redeemed only in part will be registered in the name of and returned to the Owner of any such 2015 Bond in exchange therefor. Such notice may set forth any additional information relating to such redemption. Notice may provide for purchase in lieu of redemption or conditional redemption.

Neither failure to receive any such notice nor any defect in any notice so given shall affect the sufficiency of the proceedings for the redemption of such 2015 Bonds.

Further notice shall be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

(a) Each further notice of redemption given under the Indenture shall contain the information required above for an official notice of redemption plus (i) the date of issue of the 2015 Bonds as originally issued; (ii) the rate of interest borne by each 2015 Bond being redeemed; and (iii) any other descriptive information needed to identify accurately the 2015 Bonds being redeemed.

(b) Each further notice of redemption shall be sent by registered or certified mail or overnight delivery service or confirmed facsimile transmission to (i) The Depository Trust Company on the same day on which notice is provided to Owners, (ii) to any other registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the 2015 Bonds, (iii) to the Electronic Municipal Market Access system established and operated by the Municipal Securities Rulemaking Board at http://emma.msrb.org/, which serves as the sole nationally recognized municipal securities information repository, and (iv) to the Bond Insurer, if any, insuring such 2015 Bonds.

SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS

Sources of Payment

Limited Obligations. The 2015 Bonds are limited obligations of the Authority payable solely from, and secured on an equal and ratable basis with other Parity Obligations issued pursuant to the Indenture by a lien on, pledge of and security interest in the Pledged Funds. The 2015 Bonds, the TIFIA Series 2015 Bond, and any other Bonds, Parity Obligations and/or Subordinated Indebtedness issued pursuant to the Indenture and which meet the requirements of Supplemental Agreement No. 27 to the 1988 Trust Agreement, are also secured by a subordinate lien on the Pledged TTF Revenues.

The 2015 Bonds are not secured by a mortgage or deed of trust on, or other security interest in, the New U.S. 301 Project.

THE 2015 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF DELAWARE (THE "*STATE*") OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE DELAWARE DEPARTMENT OF TRANSPORTATION (THE "*DEPARTMENT*"), OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE, ANY POLITICAL SUBDIVISION THEREOF, THE DEPARTMENT OR THE AUTHORITY, BUT SHALL BE PAYABLE SOLELY FROM THE PLEDGED FUNDS AND PLEDGED TTF REVENUES. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF, NOR THE DEPARTMENT, NOR THE AUTHORITY SHALL BE OBLIGATED TO PAY THE 2015 BONDS OR THE INTEREST THEREON EXCEPT FROM SUCH SOURCES, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE 2015 BONDS. THE 2015 BONDS ARE NOT A GENERAL OBLIGATION OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

Pledged Funds. The "Pledged Funds," as described in the Indenture, are composed of (i) all Revenues and (ii) moneys on deposit in any fund or account held by or for the benefit of the Trustee under the Indenture except the Rebate Fund and any Series Credit Facility Fund.

Revenues. "Revenues," as defined in the Indenture, means the sum of (a) the Tolls, (b) earnings derived from the investment of moneys in the funds and accounts established under the Indenture (whether held by the Trustee or the Authority) except the Toll Stabilization Fund and the Rebate Fund; (c) liquidated damages or similar payments (net of offsets required or permitted by the applicable agreement) payable under any construction contract, any toll collection or revenue management contract or any operating or maintenance contract relating to a Pledged Facility; (d) proceeds of revenue interruption insurance maintained by or for the benefit of the Authority and relating to the Pledged Facility; (e) net proceeds of eminent domain proceedings and casualty insurance maintained by or for the benefit of the Authority and relating to the Pledged Facility to the extent such proceeds are not promptly applied by the Authority either to the replacement or restoration of the Pledged Facility taken or damaged or to the redemption of Bonds; (f) any payments received by the Authority pursuant to a Parity Swap Agreement; and (g) such other sources of funds as may be identified as Revenues in a Supplemental Indenture. Except to the extent specifically otherwise provided above or in a Supplemental Indenture, "Revenues" shall not include (y) the proceeds of any Bonds or other indebtedness issued or incurred by the Authority, or (z) rebates of premiums received by the Authority or the Trustee in connection with insurance policies maintained by or for either of them.

Tolls. "Tolls," as defined in the Indenture, means all rates, rents, fees, charges, fines, or other income derived by the Authority from vehicular usage of the Pledged Facility, and all rights to receive the same.

The Authority expects that no Revenues will be generated until substantial completion of the New U.S. 301 Mainline (other than, if applicable, any proceeds of insurance or condemnation awards with respect to the Pledged Facility or liquidated damages for delayed completion payable to the Authority under the design-bid-build contract, in each case to the extent the Authority determines not to apply such amounts to the payment of Costs, as defined herein, (other than the payment of interest on the 2015 Bonds)). Prior to substantial completion of the New U.S. 301 Mainline, the primary sources available to pay debt service on the 2015 Bonds will be amounts on deposit in the Capitalized Interest Account of the Debt Service Fund and in the Bond Proceeds Funded Account of the Reserve Fund. Amounts to be deposited in the Capitalized Interest Account will be sufficient to pay interest due on the 2015 Bonds through and including June 1, 2019. If and to the extent that Pledged Funds are not available to make the payments under the Indenture for the 2015 Bonds, Pledged TTF Revenues are expected to be used to make the payments. Substantial completion of the New U.S. 301 Mainline is scheduled for December, 2018. See "CONSTRUCTION OF THE NEW U.S. 301 PROJECT" and "ESTIMATED SOURCES AND USES OF BOND PROCEEDS".

Pledged TTF Revenues. "Pledged TTF Revenues," as defined in the Indenture, means the "Receipts and Revenues of the Authority" as defined in the 1988 Trust Agreement (defined below) as all moneys paid or payable to Wilmington Trust Company (the *"1988 Trustee"*) under the Trust Agreement, dated as of August 1, 1988, between the Authority and the 1988 Trustee, together with all agreements supplemental thereto (the *"1988 Trust Agreement"*), including Supplemental Agreement No. 27 to the 1988 Trust Agreement (*"Supplemental Agreement No. 27"*), as permitted therein, by or for the account of the Authority, including, but not limited to, all revenues from the motor fuel tax, Delaware Turnpike, and document fees (all as more fully described in the 1988 Trust Agreement), the proceeds of all drawings by or advances to the 1988 Trustee, as trustee under the 1988 Trust Agreement, under a credit facility in satisfaction of the Authority's obligations to make payments under the 1988 Trust Agreement (other than drawings or advances under credit facilities ensuring payment of principal of and interest on bonds issued pursuant to the 1988 Trust Agreement), all Additional Revenues (as defined in the 1988 Trust Agreement) and all receipts of the 1988 Trustee, as trustee under the 1988 Trust Agreement, which, under the provisions of the 1988 Trust Agreement, reduce the amount of such payments. See "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS – Funds and Account; Flow of Funds; Subordinated Lien on Pledged TTF Revenues," APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE 1988 TRUST AGREEMENT and APPENDIX H – SUMMARY OF PLEDGED TTF REVENUES.

Pledged Facility. "Pledged Facility," as defined in the Indenture, means the New U.S. 301 Project, which is being partly financed with the proceeds of Bonds.

Priority of Liens. Under the Indenture, the 2015 Bonds shall be of equal rank without preference, priority or distinction of any Bonds over any other Parity Obligations. The TIFIA Series 2015 Bond is initially Subordinated Indebtedness and the Authority's obligation to repay the TIFIA Series 2015 Bond is secured by a lien on, pledge of and security interest in the Pledged Funds that is subordinate and junior to the lien on, pledge of and security interest in the Pledged Funds securing the 2015 Bonds; **provided, however, that upon the occurrence of a Bankruptcy-Related Event under the Indenture, the TIFIA Series 2015 Bond and any other TIFIA Indebtedness that is subject to a springing lien (if such other TIFIA Indebtedness is so required by a Supplemental Indenture) shall automatically and without notice or action be deemed to constitute senior lien debt secured, first, by the Pledged Funds and second, by the Pledged TTF Revenues, on parity with all other Bonds and all Parity Obligations, and the holders of such TIFIA Indebtedness that is subject to such a springing lien shall be entitled to all rights of a holder of a Bond (and all Parity Obligations) and shall be secured on a pro rata basis with the Bond Owners by all amounts on deposit in any Revenue Funded Account of the Reserve Fund that is established for any particular Series of Bonds; provided, however, the holders**

of TIFIA Indebtedness shall have no rights in, or claim to, any amounts on deposit in any Bond Proceeds Funded Account within the Reserve Fund that is established for any particular Series of Bonds. Upon the occurrence of such a Bankruptcy-Related Event, amounts on deposit in the TIFIA Debt Service Fund (other than the TIFIA Prepayment Account) shall be transferred to the Debt Service Fund, and amounts that are on deposit in the Revenue Funded Account of the Reserve Fund shall be available for the payment of the principal of and interest on the TIFIA Series 2015 Bond and any other TIFIA Indebtedness that is subject to such a springing lien in the same circumstances where such amounts are available for the payment of principal of and interest on other Bonds for which such Revenue Funded Account is established. Additional TIFIA Indebtedness (other than the TIFIA Series 2015 Bond) will only be subject to a springing lien if such additional TIFIA Indebtedness meets the requirements for the issuance of additional Bonds under the Indenture. See "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS – Additional Bonds – Tests for Issuance of Certain Bonds" and APPENDIX C – "Summary of Certain Provisions of the Indenture."

Bankruptcy-Related Events. The Indenture defines "Bankruptcy-Related Event" with respect to the Authority to mean:

(a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Authority or any of its debts, or of a substantial part of the assets of the Authority, under any Insolvency Law or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestratror, conservator or similar official for the Authority for a substantial part of the assets of the Authority, and, in any case referred to in the foregoing sub-clauses (i) and (ii), such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; or

(b) the Authority shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestratror, conservator or similar official for the Authority or for a substantial part of the assets of the Authority, (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due; (iii) fail to make two (2) consecutive payments of interest on or principal of any outstanding TIFIA Indebtedness; (iv) make a general assignment for the benefit of creditors, (v) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, (vi) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any Insolvency Law, (vii) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing sub-clauses (i) through (vi), inclusive, of this clause (b), or (viii) take any action for the purpose of effecting any of the foregoing, including seeking approval or legislative enactment by any Governmental Authority to authorize commencement of a voluntary proceeding under any Insolvency Law; or

(c) (i) the Trustee shall commence a process pursuant to which all or a substantial part of the Pledged Facility or Pledged Funds may be sold or otherwise disposed of in a public or private sale or disposition pursuant to a foreclosure of any liens or security interest thereon securing the Bonds and Parity Obligations, or (ii) the Trustee shall commence a process pursuant to which all or a substantial part of the Pledged Facility or Pledged Funds may be transferred pursuant to a sale or disposition in lieu of foreclosure; or

(d) the Trustee shall transfer, pursuant to directions issued by the Bond Owners, funds on deposit in any of the funds or accounts established under this Indenture upon the occurrence and during the continuation of an Event of Default for application to the prepayment or repayment of any principal amount of Bonds other than in accordance with the provisions of the Indenture.

See "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS – Subordinated Indebtedness; TIFIA Indebtedness; Dilution of Senior Lien Security Upon Bankruptcy-Related Event."

Funds and Accounts; Flow of Funds; Subordinated Lien on Pledged TTF Revenues

The Indenture establishes the following Funds and Accounts, which are established and created and maintained in trust by the Trustee or, as indicated below, by the Authority for the benefit of the Bonds, the Parity Swap Agreements, the Reimbursement Obligations and Subordinated Indebtedness (unless otherwise noted):

- Revenue Fund held by the Authority;
- Construction Fund held by the Trustee;
- Debt Service Fund held by the Trustee, and within the Debt Service Fund, the Capitalized Interest Account, the Interest Account, the Principal Account and the Prepayment Account;
- Reserve Fund for each Series of Bonds held by the Trustee, and within such Series-specific Reserve Fund, the Bond Proceeds Funded Account (such account not available to holders of Subordinated Indebtedness, including TIFIA Indebtedness) and the Revenue Funded Account;
- TIFIA Debt Service Fund held by the Trustee, and within the TIFIA Debt Service, the TIFIA Prepayment Account;
- Repair and Replacement Fund held by the Trustee;
- Tolls Stabilization Fund held by the Authority; and
- Rebate Fund held by the Trustee.

The Indenture also establishes the "Delaware Transportation Authority Toll Revenue Bonds Operating Fund – New U.S. 301 Project" (the *"Operating Fund"*) which is created and maintained by the Authority. Moneys on deposit in the Operating Fund shall be applied by the Authority to pay Current Expenses in accordance with the terms of the Indenture.

Deposit of Revenues; Revenue Fund. Pursuant to the Indenture, the Authority covenants that it will deposit all Revenues when and as received by it into the Revenue Fund. All moneys in the Revenue Fund are held by the Authority in trust for the benefit of the Bonds, the Parity Swap Agreements, the Reimbursement Obligations and Subordinated Indebtedness and applied as provided below and, pending such application, are subject to a lien and charge in favor of the Secured Owners and for the further security of such Secured Owners until paid out or transferred as hereinafter provided.

On or before the fifteenth (15th) day of each month, the Authority shall withdraw from the Revenue Fund and transfer to the Trustee the balance then on deposit therein for transfer, deposit or payment by the Trustee in the following order of priority (and for such purpose earnings on the Debt Service Fund, the Reserve Fund and the Repair and Replacement Fund received by the Trustee during such period shall be deemed to have been so withdrawn and transferred):

(a) FIRST, to the credit of the Interest Account and the Principal Account (or to a Series Credit Facility Fund in lieu of either of the foregoing, to the extent set forth below, and if the amount available is insufficient for such purposes, to the credit of each such account or fund in proportion to the respective amount of the deposit thereto described in this paragraph (a)): (i) to the credit of the Interest Account (but only after the Trustee shall first have withdrawn from the Capitalized Interest Account and credited to the Interest Account such amounts as may from time to time be specified in a written direction to the Trustee from an Authorized Authority Representative), the amount necessary to accumulate in not more than six (6) equal monthly installments aggregating by the end of the month next preceding each Interest Payment

Date the interest on all Outstanding Bonds due on such Interest Payment Date; provided, however, that to the extent available, each transfer made immediately prior to the next Interest Payment Date shall be in an amount sufficient to provide, together with amounts on deposit in the Interest Account, the balance of the interest on the Bonds due on such Interest Payment Date; and (ii) to the credit of the Principal Account, the amount necessary to accumulate in not more than twelve (12) equal monthly installments aggregating by the end of the month next preceding each Interest Payment Date on which principal is due on all Outstanding Bonds (upon maturity or by sinking fund redemption) on such Interest Payment Date, taking into account with respect to each such monthly transfer any other moneys actually available in such Principal Account and any credit against amounts due in each of the twelve (12) months immediately preceding the final maturity date of any Outstanding Bonds; provided, however, that to the extent available, each transfer made immediately prior to the next Interest Payment Date on which principal is due shall be in an amount sufficient to provide the balance of the principal due on the Bonds on such Interest Payment Date;

(b) SECOND, to the credit of the Revenue Funded Account of the Reserve Fund, if and to the extent the balance on deposit therein, together with any amounts held on deposit in the Bond Proceeds Funded Account of the Reserve Fund, is less than the Reserve Fund Requirement, the amount necessary to cause the balance on deposit therein, or in both such accounts in the aggregate, to equal the Reserve Fund Requirement. If the Trustee withdraws moneys from the Reserve Fund to fund any deficiency in the Debt Service Fund, the Reserve Fund Requirement shall be retested at such time to determine the appropriate amount of Revenues that should be deposited into the Revenue Funded Account of the Reserve Fund pursuant to this paragraph (b). Upon the occurrence of a Bankruptcy-Related Event, the Reserve Fund Requirement shall be retested at such time for each Series of Bonds Outstanding taking into account the TIFIA Series 2015 Bond (and any other TIFIA Indebtedness that is subject to a springing lien upon the occurrence of a Bankruptcy-Related Event) to determine the appropriate amount of Revenues that should be deposited into the Revenue Funded Account of the Reserve Fund pursuant to this paragraph (b) (the "Post-BRE Reserve Fund Requirement"), and thereafter, Revenues shall be deposited monthly into the Revenue Funded Account of the Reserve Fund in an amount which equals one-twelfth (1/12) of the amount necessary to make the deposit in such account equal to the Post-BRE Reserve Fund Requirement;

(c) THIRD, to make such transfers, deposits and payments as may be required in connection with obligations issued or incurred by the Authority to reimburse a Bond Insurer in accordance with a Supplemental Indenture for amounts paid by such Bond Insurer under a municipal bond insurance policy (to the extent such amounts have not been paid to such Bond Insurer on account of its subrogation rights);

(d) FOURTH, to make such other transfers, deposits and payments as may be required in connection with Subordinated Indebtedness, including but not limited to the TIFIA Debt Service Fund for TIFIA Indebtedness, issued or incurred by the Authority pursuant to the Indenture; provided, that with respect to TIFIA Indebtedness, the amount shall be the aggregate of one-twelfth (1/12th) of the annual principal amount due on the next Interest Payment Date on which principal is due and one-sixth (1/6th) of the semi-annual interest amount due on the next Interest Payment Date, all as provided in the TIFIA Loan Agreement;

(e) FIFTH, to make such transfers, deposits and payments to the Rebate Fund as may be required by the Indenture;

(f) SIXTH, to make such transfers, deposits and payments in such amounts as the Authority shall from time to time determine necessary to the Operating Fund, (i) to pay the Current Expenses that are then due and payable and (ii) to pay the Current Expenses that the Authority expects to become due and payable in the next succeeding calendar month; provided, however, so long as any TIFIA Indebtedness remains outstanding, funding of Current Expenses in excess of 110% of the Current Expenses shown in the Authority's Fiscal Year budget shall be subject to approval from the holder of the TIFIA Indebtedness;

(g) SEVENTH, to the credit of the Repair and Replacement Fund if and to the extent the balance on deposit therein is less than the Repair and Replacement Fund Requirement, the amount necessary to cause the balance on deposit therein to equal the Repair and Replacement Fund Requirement; provided, that to the extent actual cost requirements for repair and replacement activities in any year exceeds the Repair and Replacement Fund Requirement for such year, no additional deposits shall be made to the Repair and Replacement Fund, and the Authority shall be required to fund such excess repair and replacement costs from amounts available to the Authority from other sources (including amounts held in the Toll Stabilization Fund subject to the provisions set forth in the Indenture);

(h) EIGHTH, to make any required transfers, deposits and payments to a counterparty to a subordinated Approved Swap Agreement or that constitute Subordinated Hedging Termination Obligations under (and as defined in) the TIFIA Loan Agreement; and

(i) NINTH, to transfer to the Authority for deposit to the credit of the Toll Stabilization Fund, any Revenues remaining after making the deposits described in clauses (a) through (h), inclusive.

If the Revenues transferred to the Trustee pursuant to the above clauses (a) through (d), inclusive, are less than the required amounts to be deposited therein, the Trustee shall promptly give telephonic or electronic notice to the 1988 Trustee and the Authority. Immediately upon receipt of such notice provided in the preceding sentence, the Authority and the Trustee shall direct the 1988 Trustee to transfer Pledged TTF Revenues (including any moneys held in the U.S. 301 Subordinate Indebtedness Account created pursuant to Supplemental Agreement No. 27) to the Trustee, in amounts sufficient to cause the balance on deposit in those funds and accounts identified in the above clauses (a) through (d), inclusive, to equal the amounts so required. The Trustee shall apply any Pledged TTF Revenues received from the 1988 Trustee solely to make up the deficiencies in the amounts on deposit in those funds and accounts identified in the above clauses (a) through (d), inclusive, that formed the basis for the Authority's and Trustee's request for Pledged TTF Revenues from the 1988 Trustee (and not deficiencies in any other fund or account).

If the Revenues so transferred to the Trustee pursuant to the foregoing, together with the amount on deposit in the Toll Stabilization Fund, are, on the last Business Day prior to an Interest Payment Date, less than the aggregate amount of the deposits required by clause (a) above, then prior to any transfer of funds from the Reserve Fund, the Trustee shall promptly give telephonic or electronic notice to the Authority of the amount of the insufficiency (which notice shall be confirmed in writing as soon as reasonably practicable); and, not later than the Business Day following its receipt of such notice, the Authority shall transfer to the Trustee, from available moneys on deposit with the Authority the amount of such insufficiency.

If the Revenues transferred to the Trustee pursuant to the flow of funds described above are at any time insufficient to make the deposits required by the Indenture, or at any time, the Authority may, at its election, deposit with the Trustee funds from any available sources with the direction that such funds be deposited into the funds and accounts or specified funds and accounts held by the Trustee.

The flow of funds table set forth below is a brief summary of the monthly application of amounts in the Revenue Fund and is qualified in its entirety by reference to the flow of funds discussion set forth above and the provisions of the Indenture. Upon the occurrence of any Bankruptcy-Related Event (as defined in the Indenture) of the Authority and pursuant to the provisions of the TIFIA Loan Agreement, that portion of the TIFIA Indebtedness owned by the United States Department of Transportation

(*"USDOT"*) at such time, automatically and without action on the part of the USDOT or any other person, will immediately become and be of equal rank and on parity with the 2015 Bonds and any Parity Obligations and will be entitled to all rights of an Owner of the 2015 Bonds and any Parity Obligations (including, without limitation, the right of payment pro rata with other Bonds and other parity obligations pursuant to the Indenture). **Notwithstanding the prior sentence, the owners of the TIFIA Series 2015 Bond (and other TIFIA Indebtedness) shall, at all times, be deemed a Bond Owner for purposes of directing remedies upon an Event of Default under the Indenture. Upon the occurrence of any Event of Default under the Indenture, the Trustee shall take action to enforce the remedies described in the Indenture upon the written direction of the Owners of not less than a majority of the aggregate of Principal Obligation of the Bonds and TIFIA Indebtedness then Outstanding. Thus, the TIFIA Lender, as the expected holder of greater than a majority in aggregate Principal Obligation of the Bonds and TIFIA Indebtedness then Outstanding under the Indenture, would be able to direct remedies under the Indenture without the consent of the owners of the 2015 Bonds. In addition, so long as the owners of the 2015 Bonds do not constitute a majority of the aggregate of Principal Obligation of the Bonds and TIFIA Indebtedness then Outstanding, the owners of the 2015 Bonds will be unable to direct remedies under the Indenture upon the occurrence of an Event of Default.** Funds held in the Bonds Proceeds Funded Account within the Reserve Fund for the 2015 Bonds, however, shall secure only the 2015 Bonds and Parity Obligations, if any, related thereto. See "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS - Subordinated Indebtedness; TIFIA Indebtedness." See also "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" for a description of the application of the Pledged Funds while an Event of Default under the Indenture has occurred and is continuing.

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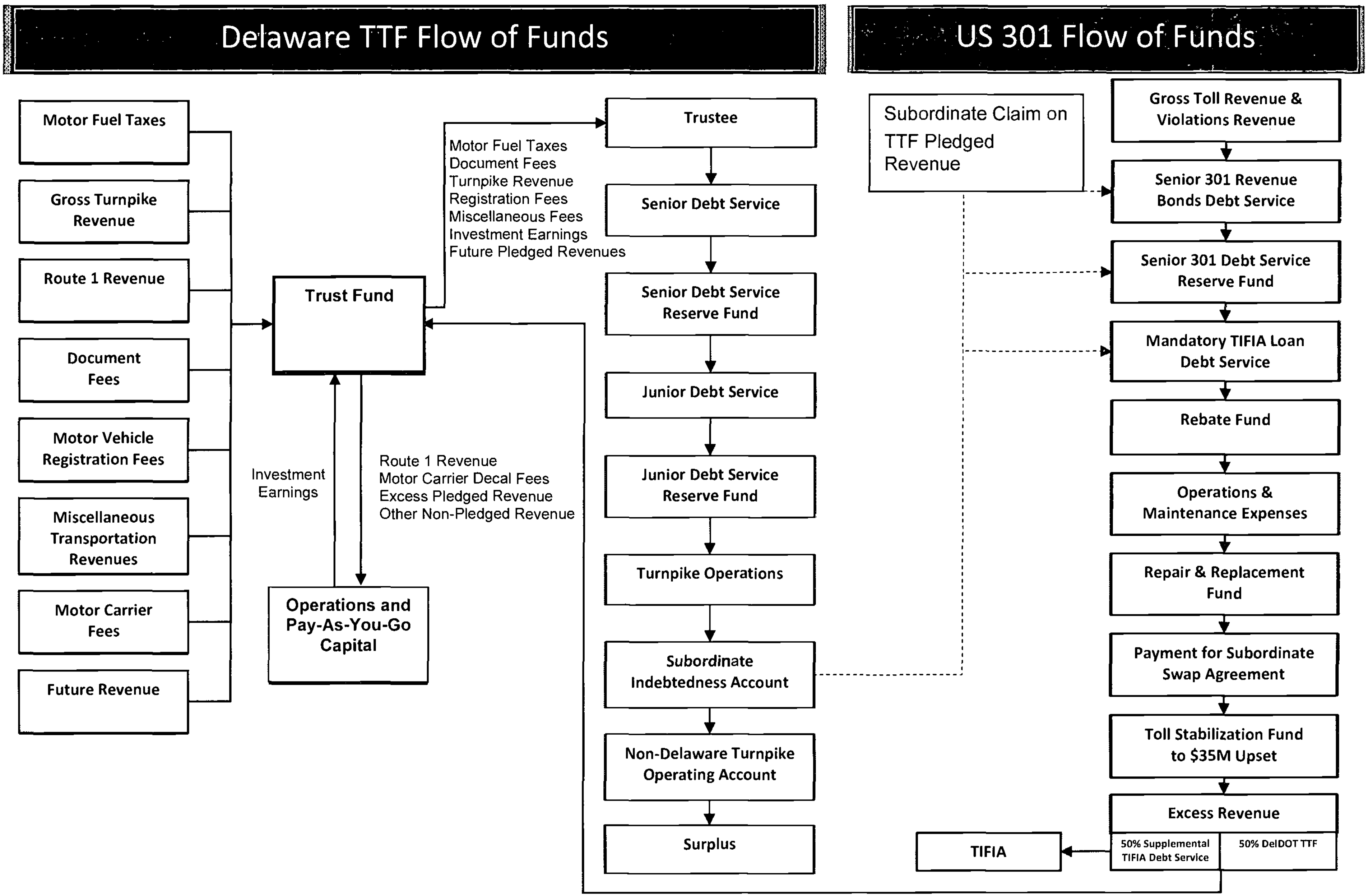
FLOW OF FUNDS CHART



Construction Fund. Moneys on deposit in the Construction Fund may be withdrawn to pay (i) a Cost and (ii) if moneys are not available in any Capitalized Interest Account for the payment of interest on Bonds, at the option of the Authority, as set forth in a certificate executed by an Authorized Authority Representative, to pay any Reimbursement Obligation or any obligation of the Authority under a Parity Swap Agreement then due or to pay interest on Bonds. Moneys remaining on deposit in the Construction Fund following the completion of the Pledged Facility shall be applied as provided herein or in the Supplemental Indenture or Supplemental Indentures pursuant to which such Pledged Facility was financed, provided that (unless specifically prohibited by such Supplemental Indenture or Supplemental Indentures) any surplus remaining after the completion of such Pledged Facility shall be transferred to the Revenue Fund.

Reserve Fund. For each Series of Bonds (other than the TIFIA Series 2015 Bond) issued under the Indenture, there shall be established a Reserve Fund. There shall be two separate accounts established and created within each such Reserve Fund: the Bond Proceeds Funded Account and the Revenue Funded Account. The Trustee shall deposit into the appropriate accounts of the Reserve Fund such amounts that may be transferred from the Revenue Fund and/or Toll Stabilization Fund, and such amounts as are received with instructions from the Authority to so deposit said amounts. Subject to the priorities set forth in the Indenture, moneys in the Reserve Fund for a particular Series of Bonds shall be held by the Trustee in trust for the benefit of all Bonds of such Series and the Parity Obligations relating thereto; and said moneys shall be applied as provided below and, pending such application, shall be subject to a lien and charge in favor of the Secured Owners. Notwithstanding the foregoing, the Trustee shall establish such accounts in the Reserve Fund, for the purpose of investing moneys on deposit therein, as may from time to time be directed in writing by an Authorized Authority Representative. Notwithstanding the foregoing, upon the occurrence of a Bankruptcy-Related Event under the Indenture, the TIFIA Series 2015 Bond and any other TIFIA Indebtedness (if such other TIFIA Indebtedness is so required by a Supplemental Indenture) shall automatically and without notice or action be deemed to constitute senior lien debt and shall be secured on a pro rata basis with the Bond Owners by all amounts on deposit in the Revenue Funded Account of the Reserve Fund; provided, however, the holders of the TIFIA Series 2015 Bond and all other TIFIA Indebtedness that is subject to such a springing lien shall have no rights in, or claim to, any amounts on deposit in the Bond Proceeds Funded Account within the Reserve Fund.

In the event that the moneys on deposit in any account in the Debt Service Fund are insufficient, after any transfer of funds thereto from the Toll Stabilization Fund required or permitted under the Indenture, to pay the interest or principal coming due on the Bonds on any Interest Payment Date or the moneys on deposit in the applicable Series Credit Facility Fund are insufficient to pay, as it becomes due, any Reimbursement Obligation resulting from a draw on a Credit Facility to pay principal of or interest on Bonds and any obligation under a Parity Swap Agreement relating thereto, in each such case to the extent such interest or principal is payable from such account or such Reimbursement Obligation is payable from a Series Credit Facility Fund on parity therewith, the Trustee shall withdraw first from the Bond Proceeds Funded Account, and, if necessary, second from the Revenue Funded Account, of the Reserve Fund and shall deposit to the credit of such account and/or each such Series Credit Facility Fund, as the case may be, an amount sufficient to remedy said deficiency (and if the amount available is insufficient for such purposes, to the credit of each such account or fund in proportion to the respective amount of its deficiency).

Upon the occurrence of a Bankruptcy-Related Event, the Revenue Funded Account of the Reserve Fund shall be funded with such amounts so that the amount on deposit in such account shall equal the Post-BRE Reserve Fund Requirement. Revenues shall be deposited monthly into the Revenue Funded Account of the Reserve Fund in an amount which equals one-twelfth (1/12) of the amount necessary to make the deposit in such account equal to the Post-BRE Reserve Fund Requirement. The portion of the Post-BRE Reserve Fund Requirement that is allocable to the TIFIA Series 2015 Bond (and any other outstanding TIFIA Indebtedness that is subject to a springing lien upon the occurrence of a Bankruptcy-Related Event) shall be restricted in investments to the yield of the tax-exempt Bonds issued under the Indenture.

Any earnings derived from the investment of money on deposit in a Reserve Fund shall be deemed to have been deposited by the Authority in the Revenue Fund and transferred to the Trustee pursuant to the flow of funds. Amounts on deposit in the Reserve Fund for a specific Series of Bonds in excess of the Reserve Fund Requirement for such Series of Bonds (other than any earnings derived from the investment thereof that have not yet been deemed to have been transferred to the Revenue Fund) shall be transferred to the Revenue Fund; provided, however, so long as there are moneys on deposit in the Bond Proceeds Funded Account of such Reserve Fund (and such deposited amounts are equal to or less than the Reserve Fund Requirement), any such excess over the Reserve Fund Requirement shall be transferred from amounts held in the Revenue Funded Account of the Reserve Fund to the Revenue Fund.

The Reserve Fund Requirement may be satisfied, in whole or in part, with an insurance policy, surety bond, or letter of credit as hereinafter described.

An insurance policy or surety bond may be used to satisfy said requirement if it is issued to the Trustee, as trustee for the Secured Owners, by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on municipal bonds, the claims paying ability of which company shall be rated in its highest Rating Category by each Rating Agency which has assigned a rating both to any such Outstanding Bond and to such claims paying ability. The use of such insurance policy or surety bond shall be subject to the receipt by the Trustee of an opinion of counsel as to the due authorization, execution, delivery and enforceability of such instrument in accordance with its terms, subject to applicable laws affecting creditors' rights generally and to the application of general equitable principles.

In order for a letter of credit to satisfy the aforesaid requirement it shall be an unconditional irrevocable letter of credit issued to the Trustee, as trustee for the Secured Owners, by a bank which has unsecured, uninsured and unguaranteed long-term obligations rated in the highest Rating Category by each Rating Agency which has assigned a rating both to any Outstanding Bond and to such obligation. Any such letter of credit shall be payable in one or more draws upon presentation by the beneficiary of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal of or interest on such Bonds, which draw shall be payable within two (2) days of presentation of the sight draft. In addition, such letter of credit shall be for a term not less than three (3) years, the issuer thereof shall be required to notify the Trustee not later than thirty (30) days prior to the stated expiration date of the letter of credit of such expiration, and the Trustee shall be required to make a full draw thereunder if such letter of credit has not been renewed or replaced at least two (2) weeks prior to the expiration or termination thereof. The use of such a letter of credit shall be subject to the Trustee's receipt of one or more opinions of counsel as to the due authorization, execution, delivery and enforceability thereof in accordance with its terms, subject to applicable laws affecting creditors' rights generally and to the application of general equitable principles.

The First Supplemental Indenture establishes the Bond Proceeds Funded Account, within the Reserve Fund created for the 2015 Bonds, and shall be funded in the amount of the Reserve Fund Requirement, solely for the benefit of the holders of the 2015 Bonds and any Bonds issued to refinance all or a portion of the 2015 Bonds. See "Bond Proceeds Funded Account of the Reserve Fund" below and "PLAN OF FINANCE - Estimated Sources and Uses of Bond Proceeds."

Repair and Replacement Fund. In accordance with clause "(g) SEVENTH" described under "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS – Funds and Accounts; Flow of Funds; Subordinated Lien on Pledged TTF Revenues" hereof, the Trustee shall cause amounts in the Revenue Fund, to the extent available, to be deposited into the Repair and Replacement Fund from time to time in an amount equal to the annual Repair and Replacement Fund Requirement. Amounts on deposit in the Repair and Replacement Fund in excess of the Repair and Replacement Fund Requirement (other than any earnings derived from the investment thereof that have not yet been transferred to the Revenue Fund) shall be transferred to the Toll Stabilization Fund.

Moneys on deposit in the Repair and Replacement Fund may be withdrawn therefrom and applied as follows: (i) in accordance with written instructions from an Authorized Authority Representative, the Trustee may, to the extent permitted by law, apply amounts on deposit in the Repair and Replacement Fund to pay all or any part of the cost of reconstructing, restoring, repairing or rehabilitating a Pledged Facility or any portion thereof which has been destroyed or damaged; (ii) if the other amounts then available for transfer into the Debt Service Fund or the TIFIA Debt Service Fund (including amounts on deposit in the Toll Stabilization Fund and the Reserve Fund) are insufficient to cause the amounts on deposit in the Interest Account or the Principal Account (each within the Debt Service Fund) to equal the respective amounts required by the Indenture to pay debt service coming due on the next Interest Payment Date, the Trustee shall withdraw from the Repair and Replacement Fund and transfer first to the Interest Account, second to the Principal Account and, to the extent of any excess remaining thereafter, to the TIFIA Debt Service Fund, as applicable, the respective amounts necessary to cause the balances on deposit therein to equal the amounts required to pay debt service coming due on the next Interest Payment Date; and (iii) in accordance with written instructions from an Authorized Authority Representative, the Trustee may apply any amount on deposit in the Repair and Replacement Fund to the payment of premiums from one or more policies of insurance specified by such Authorized Authority Representative.

Toll Stabilization Fund. Moneys on deposit in the Toll Stabilization Fund shall be withdrawn and applied in the order of priority as follows and, pending such application, shall be subject to a lien and charge in favor of the Secured Owners until paid out or transferred as hereinafter provided:

(1) If the other amounts then available for transfer into the Debt Service Fund (exclusive of amounts held in the Reserve Fund and the Repair and Replacement Fund) are insufficient to cause the amounts on deposit in the Debt Service Fund to equal the amount required by the Indenture, the Authority shall withdraw from the Toll Stabilization Fund (***prior to*** any withdrawal from the Reserve Fund or the Repair and Replacement Fund) and transfer to the Debt Service Fund the amount necessary to cause the balance on deposit therein to equal the amount so required;

(2) If the aggregate amount on deposit in the accounts of the Reserve Fund is less than the Reserve Fund Requirement, there shall be withdrawn from the Toll Stabilization Fund and transferred to the Trustee for deposit into the Revenue Funded Account of the Reserve Fund the amount necessary to remedy such deficiency;

(3) If other amounts then available for transfer into any funds created in connection with Subordinated Indebtedness, including but not limited to the TIFIA Debt Service Fund for TIFIA Indebtedness, are insufficient to cause the amounts on deposit in such funds to equal the amount required by the Indenture, the Authority shall withdraw from the Toll Stabilization Fund and transfer to such deficient fund the amount necessary to cause the balance on deposit therein to equal the amount so required;

(4) If there is any deficiency in the amount available to pay Current Expenses, there shall be withdrawn from the Toll Stabilization Fund and transferred to the Authority, the amount of such

deficiency; provided, however, so long as any TIFIA Indebtedness remains outstanding, funding of Current Expenses in excess of ten percent (10%) of the Current Expenses shown in the Authority's Fiscal Year budget shall be subject to approval from the holder of the TIFIA Indebtedness; and

(5) After all of the foregoing transfers have been completed and so long as the moneys on deposit in the Toll Stabilization Fund exceed the lesser of $35,000,000 or the outstanding balance due on the TIFIA Indebtedness (such "lesser of" amount, as may be adjusted in the immediately succeeding paragraph below, is referred to herein as the *"TSF Minimum Fund Balance"*), as measured on June 30 in each year (such excess amounts above the TSF Minimum Fund Balance shall be referred to in this paragraph (5) as the *"Excess Amounts"*), the Authority shall withdraw on or before July 15 of each year such Excess Amounts and allocate such amounts as follows: (a) 50% of such Excess Amounts shall be transferred to the TIFIA Prepayment Account of the TIFIA Debt Service Fund as a debt service prepayment on outstanding TIFIA Indebtedness (to be applied as a supplemental prepayment of the outstanding TIFIA Indebtedness in inverse order of maturity); and (b) the remaining 50% of such Excess Amounts shall be transferred to the Transportation Trust Fund to be applied to any proper purpose of the Authority. Upon withdrawal from the Toll Stabilization Fund such funds shall cease to be Pledged Funds.

In the event an unforeseen repair and/or replacement need arises with respect to the New U.S. 301 and after all available funds in the Repair and Replacement Fund have been depleted, the Authority may withdraw funds from the Toll Stabilization Fund for such repair and replacement needs. Any and all such withdrawals shall be charged against and reduce the TSF Minimum Fund Balance for the purpose of calculating and paying Excess Amounts pursuant to paragraph (5) above. Any such reduction in the TSF Minimum Fund Balance shall be replenished on or before July 15 of each year, to the extent funds are then available, solely from the 50% portion of the Excess Amounts that would otherwise be available to be transferred to the Transportation Trust Fund. For purposes of deposits to the TIFIA Prepayment Account described in clause (a) of paragraph (5) above, the TSF Minimum Fund Balance shall be adjusted to reflect the amount actually on deposit in the Toll Stabilization Fund (taking into account any withdrawals from the Toll Stabilization Fund for repair and replacement costs that have not been replenished), ***and*** no Excess Amounts shall be deposited into the Authority's Transportation Trust Fund described in clause (b) of paragraph (5) above until the amount on deposit in the Toll Stabilization Fund is equal to the TSF Minimum Fund Balance.

Subordinated Lien on Pledged TTF Revenues

Under the 1988 Trust Agreement, the Authority may issue additional indebtedness secured by a lien on the Pledged TTF Revenues which is subordinate to the lien of senior revenue bonds and junior revenue bonds issued under the 1988 Trust Agreement. Pursuant to Supplemental Agreement No. 27 to the 1988 Trust Agreement, the Authority acknowledges that the 2015 Bonds, the TIFIA Series 2015 Bond, and any additional Bonds, Parity Obligations and/or Subordinated Indebtedness issued pursuant to the Indenture and which meet the requirements of Supplemental Agreement No. 27 to the 1988 Trust Agreement, shall constitute "Subordinate Indebtedness" under the 1988 Trust Agreement. Pursuant to Supplemental Agreement No. 27 to the 1988 Trust Agreement, the 1988 Trustee shall create an account designated the "U.S. 301 Subordinate Indebtedness Account" within the Revenue Fund under the 1988 Trust Agreement. If by the fifteenth (15th) day of any month, the 1988 Trustee receives notice from the Authority and/or the Trustee that amounts deposited in and credited to those certain funds and accounts identified in the Indenture to (i) pay debt service on Bonds, (ii) fund any deficiency in the Reserve Fund, (iii) reimburse a Bond Insurer for amount paid pursuant to a municipal bond insurance policy or (iv) pay debt service on the TIFIA Series 2015 Bond are less than required to be deposited therein, the 1988 Trustee shall cause the monies held in the U.S. 301 Subordinate Indebtedness Account to be transferred as directed by the Authority and the Trustee to cause the balance on deposit in those funds and accounts identified in the above paragraphs (i) through (iv), inclusive, to equal the amounts so required. The Trustee shall apply any Pledged TTF Revenues received from the 1988 Trustee solely to make up the deficiencies in the amounts on deposit in those funds and accounts identified in clauses (i) through (iv), inclusive, that formed the basis for the Authority's and Trustee's request for Pledged TTF Revenues from the 1988 Trustee (and not deficiencies in any other fund or account). If the Trustee does not receive any notice described in the preceding sentence by the fifteenth (15th) day of the month, the Trustee shall release all monies held in the U.S. 301 Subordinate Indebtedness Account to the Authority for deposit into the Non-Delaware Turnpike Operating Account as required by the 1988 Trust Agreement before any remaining Pledged TTF Revenues shall be released to the Authority, free of the lien of the 1988 Trust Agreement.

For Subordinate Indebtedness (as defined in the 1988 Trust Agreement) issued after January 1, 2016, no such Subordinate Indebtedness shall be issued under the 1988 Trust Agreement pursuant to an applicable Supplemental Agreement unless the tests for senior revenue bonds and junior revenue bonds in the 1988 Trust Agreement are first met and the aggregate amount of Test Revenues (as defined in the 1988 Trust Agreement) for any twelve (12) consecutive months occurring in the most recent fifteen (15) months preceding the date on which such Subordinate Indebtedness is proposed to be issued was not less than 2.00 times the maximum debt service due for all outstanding Subordinate Indebtedness, taking into account the Subordinate Indebtedness proposed to be issued after subtracting from the Test Revenues the maximum Principal and Interest Requirements for Senior Bonds and Junior Bonds and any deposits to any funds or reserve funds as may be required by the 1988 Trust Agreement. See APPENDIX E – "SUMMARY OF CERTAIN PROVISIONS OF THE 1988 TRUST AGREEMENT."

The rights of holders of Subordinate Indebtedness (including the 2015 Bonds and the TIFIA Series 2015 Bond) to the lien on the Pledged TTF Revenues will be limited as follows:

(a) In the event of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization or other similar proceedings in connection therewith, relative to the Authority or to its property, and in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the Authority, whether or not involving insolvency or bankruptcy, and following notice to the 1988 Trustee of the happening of any such event, the holders of all bonds then outstanding under the 1988 Trust Agreement shall be entitled to receive payment in full of all principal and interest on all such bonds before the holders of the Subordinate Indebtedness are entitled to receive any payment from the Pledged TTF Revenues on account of principal (and premium, if any) or interest due on any Subordinate Indebtedness;

(b) In the event that any Subordinate Indebtedness is declared due and payable by the 1988 Trustee before its expressed maturity because of the occurrence of an "event of default", as described in the Indenture or TIFIA Loan Agreement, as the case may be, (under circumstances when the provisions of paragraph (a) above shall not be applicable), the holders of all bonds then outstanding under the 1988 Trust Agreement at the time any Subordinate Indebtedness so becomes due and payable because of such occurrence of any such "event of default" shall be entitled to receive payment in full of all principal and interest on all such bonds before the holders of the Subordinate Indebtedness are entitled to receive any payment from the Pledged TTF Revenues of principal (and premium, if any) or interest due on such Subordinate Indebtedness (the language of this paragraph (b) shall not apply to the 2015 Bonds and the TIFIA Series 2015 Bond as neither is subject to acceleration under the Indenture or TIFIA Loan Agreement);

(c) If any event of default under the 1988 Trust Agreement shall have occurred and be continuing (under circumstances when the provisions of paragraph (a) and (b) above shall not be applicable), and the 1988 Trustee attempts to remedy such event of default by accelerating the payment of senior bonds and/or junior bonds, or there is an event of default resulting from the failure in payment of principal and interests requirements on any such bond, the holders of all bonds then outstanding under the 1988 Trust Agreement shall be entitled to receive payment in full of all principal and interest on all such bonds before the holders of any Subordinate Indebtedness are entitled to receive any payment from the Pledged TTF Revenues of principal (and premium, if any) or interest due on such Subordinate Indebtedness;

(d) No holder of bonds issued under the 1988 Trust Agreement shall be prejudiced in his right to enforce subordination of the Subordinate Indebtedness by any act or failure to act on the part of the Authority;

(e) The provisions of paragraphs (a), (b), (c) and (d) above are solely for the purpose of defining the relative rights of the holders of the senior bonds and/or junior bonds issued under the 1988 Trust Agreement on the one hand, and the holders of Subordinate Indebtedness on the other hand, and no provision of the 1988 Trust Agreement shall impair, as between the Authority and the holders of any subordinate indebtedness, the obligation of the Authority, which may be unconditional and absolute, to pay to the holders of any Subordinate Indebtedness the principal thereof and premium, if any, and interest thereon in accordance with its terms; no provision of the 1988 Trust Agreement shall prevent the holders of any Subordinate Indebtedness from exercising all remedies otherwise permitted by applicable law or under the 1988 Trust Agreement upon any default under the 1988 Trust Agreement, subject to the rights under paragraphs (a), (b), (c) and (d) above of the holders of senior bonds and/or junior bonds issued under the 1988 Trust Agreement to receive cash, property or securities otherwise payable or deliverable to the holders of any Subordinate Indebtedness; and no provision of the 1988 Trust Agreement shall prevent the application by the holder of any Subordinate Indebtedness of any moneys deposited with any such holder for the purpose of the payment of or on account of the principal (and premium, if any) or interest on any Subordinate Indebtedness if such holder did not have knowledge at the time of such application that such payment was prohibited by the foregoing provisions;

(f) Subject to the payment of the senior bonds and junior bonds issued under the 1988 Trust Agreement provided in the foregoing provisions, the holders of any Subordinate Indebtedness shall be subrogated to the rights of the holders of such senior and junior bonds to receive payments or distributions of cash, property or securities of the Authority applicable to the senior and junior bonds until all amounts owing on any Subordinate Indebtedness shall be paid in full and, as between the Authority, on the one hand, and the holders of any Subordinate Indebtedness, on the other hand, no such payment or distribution made to the holders of senior and/or junior bonds by virtue of these above referenced limitations which otherwise would have been to the holders of the Subordinate Indebtedness shall be deemed to be a payment by the Authority on account of the senior and junior bonds, it being understood that the provisions (a) – (e), inclusive, are intended solely for the purpose of defining the relative rights of the holders of the senior bonds and junior bonds under the 1988 Trust Agreement, on the one hand, and the holders of any Subordinate Indebtedness, on the other hand. See "RISK FACTORS – Limited Remedies Under the Indenture."

An Event of Default under the Indenture shall not constitute an event of default under the 1988 Trust Agreement. An event of default under the 1988 Trust Agreement shall not constitute an Event of Default under the Indenture. Furthermore, the 1988 Trust Agreement provides that it is the intent of the Authority that an event of default with respect to Subordinate Indebtedness (including the 2015 Bonds and the TIFIA Series 2015 Bond) under the 1988 Trust Agreement shall not in itself create the right to declare an event of default with respect to any Senior Bonds or Junior Bonds and no provision of the 1988 Trust Agreement shall be construed to allow such result.

Under the 1988 Trust Agreement, the Authority may issue (i) senior revenue bonds and junior revenue bonds subject to the tests for additional bonds in the 1988 Trust Agreement and (ii) Subordinate Indebtedness (as defined in the 1988 Trust Agreement) subject to the tests for additional Subordinate Indebtedness outlined in the first paragraph under "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS – Funds and Accounts; Flow of Funds; Subordinated Lien on Pledged TTF Revenues - *Subordinated Lien on Pledged TTF Revenues.* As of June 30, 2015, the Authority currently has $774,825,000 of senior revenue bonds outstanding under the 1988 Trust Agreement. No junior revenue bonds or other Subordinate Indebtedness (as defined in the 1988 Trust Agreement) is currently outstanding. See APPENDIX E – "SUMMARY OF CERTAIN PROVISIONS OF THE 1988 TRUST AGREEMENT" and "RISK FACTORS – Dilution of Pledged TTF Revenues."

Under certain conditions, the debt service reserve fund and operating reserve fund requirements under the 1988 Trust Agreement may be increased. Such increases in debt service reserve fund or operating reserve fund requirements may impact the amount of Pledged TTF Revenues that are available to pay debt service on the 2015 Bonds. See APPENDIX E – "SUMMARY OF CERTAIN PROVISIONS OF THE 1988 TRUST AGREEMENT" and "RISK FACTORS – Dilution of Pledged TTF Revenues."

Bond Proceeds Funded Account of Reserve Fund

On the date of delivery of the 2015 Bonds, proceeds of the 2015 Bonds in the amount of $16,821,186.03, representing the Reserve Fund Requirement, will be deposited in the Bond Proceeds Funded Account of the Reserve Fund, and shall be applied pursuant to the Indenture to make up any shortfall in the payment of interest, principal and/or redemption price (excluding any redemption premium) due on the 2015 Bonds. See "PLAN OF FINANCE - Estimated Sources and Uses of Bond Proceeds." The Bond Proceeds Funded Account will secure only the 2015 Bonds.

"Reserve Fund Requirement" means, with respect to a particular series of Bonds as of a particular date, the lesser of: (i) the Maximum Annual Debt Service for such series; (ii) 125% of the average Annual Debt Service with respect to the Outstanding Bonds of such series in the then current and all future Fiscal Years; or (iii) ten percent (10%) of the proceeds of such series of Bonds or such other amount equal to the maximum amount of proceeds derived from the sale of such Bonds which may be deposited in the Reserve Fund pursuant to the then applicable provisions of the Code.

Rate Covenant

For each Fiscal Year for which Bonds are Outstanding, the Authority will fix and prescribe toll rates for each type of vehicle, each time of day and each toll collection facility that are not less than the greater of the Minimum Toll Rates or the then current toll rates for such type of vehicle, such time of day and such toll collection facility _unless_ the Department or the Authority finds and determines, based upon a report of a Traffic Engineer which specifically so concludes, that one or more toll rates (the proposed amounts of which shall be specified in the report of the Traffic Engineer) if set at less than the applicable Minimum Toll Rates or, if applicable, the then current toll rates would be likely to produce either: (i) more Net Revenues than would the applicable Minimum Toll Rates or, if applicable, the then current toll rates or (ii) Net Revenues for each Fiscal Year at least equal to 1.20 times Annual Debt Service (in either of which case the Authority may fix and prescribe toll rates not less than those so specified in the report of the Traffic Engineer).

(a) Prior to the commencement of each Fiscal Year for which Bonds are Outstanding following the completion of construction of the Pledged Facility, the Authority shall determine whether Adjusted Net Revenues during any twelve (12) month period during the most recent eighteen (18) month period for which such data are then available are at least equal to 1.20 times Annual Debt Service for such time period.

(b) If the Authority determines that Adjusted Net Revenues for such twelve (12) month period did not at least equal 1.20 times Annual Debt Service for such time period, the Authority covenants that it will fix and prescribe toll rates so that Adjusted Net Revenues for the following Fiscal Year will be at least equal to 1.20 times Annual Debt Service for the following Fiscal Year.

(c) The failure of toll rates to yield a coverage ratio of at least 1.20 times Annual Debt Service shall not be deemed to constitute an Event of Default to the extent that (i) the Authority complies with the requirements of the succeeding paragraphs, (ii) the Authority is not otherwise in default under the Indenture, and (iii) the toll rates established by the Authority yield the then applicable coverage ratio of 1.20 times Annual Debt Service by no later than the sixth (6th) payment date for debt service hereunder occurring after the first date on which the toll rates failed to yield such coverage ratio of 1.20 times Annual Debt Service.

Within 60 days after the end of each Fiscal Year the Authority will file with the Trustee a report setting forth the Adjusted Net Revenues for such Fiscal Year. If any such report indicates that the Adjusted Net Revenues for such Fiscal Year were less than 1.20 times Annual Debt Service for such time period, then as soon as practicable after delivering such report to the Trustee and the USDOT, the Authority shall (i) notify each Bond Insurer and each Rating Agency which has assigned a rating to the Bonds at the request of the Authority of that fact and (ii) employ a Traffic Consultant to review and analyze the operations of the Pledged Facility and to submit to the Authority, as soon as practicable (but not later than such date as will enable the Authority to act upon it within 180 days after the end of the Fiscal Year in question), a written report which shall include the actions that the Traffic Consultant recommends should be taken by the Authority with respect to revising the toll rates, altering its methods of operation or taking other action projected to produce 1.20 times Annual Debt Service in the following twelve (12) month period (or, if less, the maximum amount deemed feasible by the Traffic Consultant) and that the Traffic Consultant estimates will not adversely affect the amount of Adjusted Net Revenues. Promptly upon its receipt of such written report (and, in any case, within 180 days after the end of the Fiscal Year in question), after giving due consideration thereto, the Authority will revise the toll rates, as permitted by law, alter its methods of operation or take such other action as it deems appropriate. Such revisions, alterations or actions need not comply with the recommendations of the Traffic Consultant so long as Adjusted Net Revenues projected by the Traffic Consultant to be produced by the revisions, alterations or actions then taken by the Authority are at least equal to 1.20 times the then current Annual Debt Service. The Trustee shall have no responsibility to review any written report received pursuant to this Section.

Other than (i) vehicles of officers and employees of the Authority while they are in the discharge of their official duties, (ii) police, fire, and other public emergency vehicles of the State or of any political subdivision thereof while operated in the discharge of official duties, (iii) emergency/rescue vehicles owned or operated by a non-profit organization while operated in the discharge of their duties, and (iv) vehicles owned or operated by agents and independent contractors of the Authority and by lessees of the Authority and their agents and independent contractors which are used in connection with the operation, maintenance, repair or reconstruction of the Pledged Facility, the Authority further covenants that such toll rates for traffic using the Pledged Facility will be established and maintained in a reasonable way to cover all traffic consistent with the requirements hereof, but with such classifications as the Authority may deem appropriate; provided that nothing contained in this Section shall prevent the Authority from temporarily reducing, suspending or eliminating Tolls in connection with programs which it intends to use to increase Adjusted Net Revenues or in emergency situations, such as the Authority's need to ease congestion and safely move traffic resulting from any of the following (such list not intending to be all-inclusive): a natural or manmade disaster; a weather-related emergency; an evacuation of an area directly served by the roadway; an infrastructure failure (i.e., power failure to collect tolls); an emergency-related diversion of traffic onto the roadway; a military conflict; or a chemical, biological or other health-related emergency.

See APPENDIX D – "FORM OF THE TIFIA LOAN AGREEMENT" for a summary of the rate covenants under the TIFIA Loan Agreement. See also "RISK FACTORS – Rate Covenant Not a Guarantee."

Annual Budget

The Authority covenants that on or before the commencement of each Fiscal Year it will adopt the Annual Operating Budget for such Fiscal Year. On or before the 20th day of July in such Fiscal Year copies of the Annual Operating Budget shall be filed with the Trustee. The Trustee shall have no responsibility to review the Annual Operating Budget. If for any reason the Authority shall not have adopted the Annual Operating Budget before the first (1^{st}) day of any Fiscal Year, the budget for the preceding Fiscal Year shall, until the adoption of the Annual Operating Budget, be deemed to be in force and shall be treated as the Annual Operating Budget hereunder for such Fiscal Year. The Authority may at any time adopt an amended or supplemental Annual Operating Budget for the remainder of the then current Fiscal Year, subject to the requirements of the TIFIA Loan Agreement. Copies of any such amended or supplemental Annual Operating Budget shall be filed with the Trustee.

Additional Bonds

Subsequent to the issuance of the 2015 Bonds, additional Series of Bonds may be issued pursuant to a Supplemental Indenture for the purposes of (i) financing Costs of the New U.S. 301 Project and (ii) refunding any Bond or other New U.S. 301 Project-related indebtedness of the Authority. Each Supplemental Indenture under which such Bonds are issued to finance Costs shall specify the Pledged Facility the Costs of which are to be paid in whole or in part with the proceeds derived from the sale of such Bonds, provided that any surplus remaining after the completion thereof may be expended for other Costs even though not so specified or may be otherwise applied as set forth in such Supplemental Indenture. Any such additional Series of Bonds issued shall also be secured on parity with the 2015 Bonds and Parity Obligations.

(a) ***Completion Bonds***. Without satisfying the requirements set forth in (c) below, Bonds (including TIFIA Indebtedness that is not subject to a springing lien) may be issued under and secured by the Indenture that are Completion Bonds, provided that there shall first have been delivered to the Trustee a certificate prepared by an Engineering Consultant certifying that the proceeds expected to be derived from the sale of such Completion Bonds are necessary, and are expected to be sufficient, to complete any portion of the New U.S. 301 Project so as to make it ready for normal continuous use, and provided further that (i) Completion Bonds may not be issued for any repair, replacement or refurbishment of any portion of the New U.S. 301 Project after such portion has opened for normal and continuous use and (ii) the aggregate principal amount of Completion Bonds shall not exceed 10% of the principal amount of the Bonds (excluding the TIFIA Series 2015 Bond) initially issued to pay Costs of the portion of the New U.S. 301 Project to be completed using the proceeds of the Completion Bonds. Notwithstanding the prior sentence, the aggregate principal amount of any additional Bonds (excluding Subordinated Indebtedness and TIFIA Indebtedness not subject to a springing lien) may not, without the prior written consent of the TIFIA Lender, exceed 10% of the maximum principal amount of the 2015 Bonds issued to pay Costs of the portion of the New U.S. 301 Project to be completed using the proceeds of such Bonds.

(b) ***Refunding Bonds***. Bonds may also be issued under and secured by the Indenture that are Refunding Bonds without satisfying the requirements set forth in (c) below only if there is delivered to the Trustee a certificate of an Authorized Authority Representative showing that either (i) Annual Debt Service on all Bonds Outstanding after the issuance of the Refunding Bonds will not exceed Annual Debt Service on all Bonds Outstanding prior to the issuance of such Refunding Bonds in each Fiscal Year in which any such Bonds would have been Outstanding but for the issuance of such Refunding Bonds or (ii) the aggregate amount of the Adjusted Net Revenues (determined based upon the Tolls estimated by a Traffic Consultant) to be received in the current Fiscal Year and in each Fiscal Year thereafter is not less than 1.5 times Annual Debt Service, taking into account the Bonds proposed to be issued, for each such Fiscal Year.

In estimating the amount of future Tolls for purposes of the preceding paragraph (b), the Traffic Consultant may take into account any revisions of the Tolls which have been approved by the Authority and, if applicable, the Department, and which will be effective during such period, and any additional Tolls which the Traffic Consultant reasonably estimates will be received by the Authority following the completion of any portion of the Pledged Facility then being constructed by or on behalf of the Authority, provided that an Authorized Authority Representative shall have certified in writing as to the estimated completion date of such portion of the Pledged Facility and an Authorized Authority Representative shall have certified in writing as to the sufficiency of funds available with which to complete the same.

(c) ***Tests for Issuance of Certain Bonds***. Except as provided in (a) and (b) above, subsequent to the issuance of the 2015 Bonds, as a condition to issuance of any Bonds or any TIFIA Indebtedness subject to a springing lien upon the occurrence of a Bankruptcy-Related Event, there shall first be delivered to the Trustee a certificate of an Authorized Representative showing that:

(i) the aggregate amount of the Adjusted Net Revenues (excluding funds provided from any Capitalized Interest Account) during the twelve (12) consecutive months preceding the date on which such Bonds are proposed to be issued was not less than the aggregate of Maximum Annual Debt Service, taking into account the Bonds then proposed to be issued; *or*

(ii) all of the following 3 clauses are satisfied: (a) excluding funds provided from any Capitalized Interest Account, the aggregate amount of the Adjusted Net Revenues during any twelve (12) consecutive months occurring in the most recent eighteen (18) months preceding the date on which such Bonds are proposed to be issued for which data are available was not less than 1.5 times Annual Debt Service for that same twelve-month period, taking into account the Bonds then proposed to be issued; and (b) as certified by a Traffic Consultant in a certificate delivered to the Authority and Trustee certifying that, based upon reasonable assumptions, the aggregate amount of Adjusted Net Revenues to be received in the then current Fiscal Year and in each Fiscal Year thereafter is not less than 1.5 times Annual Debt Service, taking into account the Bonds proposed to be issued, for each such Fiscal Year; and (c) concurrently with the issuance of such Bonds the amount on deposit in the Reserve Fund will be not less than the Reserve Fund Requirement, taking into account the Bonds proposed to be issued, provided that the test set forth in this clause (ii)(c) may be satisfied in whole or in part with an insurance policy, surety bond, or letter of credit as described in the Indenture; *and*

(iii) all conditions for issuing additional Subordinate Indebtedness under the 1988 Trust Agreement, including all conditions imposed pursuant to Supplemental Agreement No. 27 to the 1988 Trust Agreement, have been met.

In calculating the amount of Tolls for purposes of clauses (c)(i) and (c)(ii) above, the Authorized Authority Representative may adjust the Tolls actually received to take into account Tolls which a Traffic Consultant reasonably estimates would have been received if any toll rate revision which was in effect only for a portion of the applicable twelve-month period had been in effect for all of such period. In estimating the amount of future Tolls for purposes of the preceding paragraph, the Traffic Consultant may take into account any revisions of the Tolls which have been approved by the Authority and the Department, if applicable, and which will be effective during such period, and any additional Tolls which the Traffic Consultant reasonably estimates will be received by the Authority.

Certain Contracts and Swaps

Without entering into a Supplemental Indenture, upon receipt of an opinion of Bond Counsel to the effect that such action is permitted under the laws of the State and will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes, the Authority may and the Trustee shall, if so directed in writing by an Authorized Authority Representative, enter into one or more contracts in order to hedge the interest payable on all or a portion of any Series of Bonds, including, without limitation, interest rate swap agreements, interest rate floors or caps; provided. that if such contract is entered into prior to the issuance of the Bonds to which it relates, the latter portion of the opinion of Bond Counsel referred to hereinabove need not be delivered until such Bonds are issued.

The amounts received by the Authority or the Trustee, if any, pursuant to such a contract shall be applied as set forth below (to the extent required) and otherwise may be applied to the various deposits required under the Master Indenture or under any Supplemental Indenture with respect to the Bonds in question.

Amounts payable by the Authority under such a contract may be secured by the Pledged Funds on parity with the Bonds to which such contract relates, but only to the extent so provided in such contract and only to the extent of the principal amount of Bonds to which such contract relates (i.e., the notional amount of such contract may not exceed the principal amount of the Bonds to which such contract relates). In the event and to the extent that amounts payable by the Authority under such a contract are secured by the Pledged Funds on parity with the Bonds to which such contract relates, the Authority shall pay to the Trustee for deposit into the Interest Account the net amount payable, if any, to the Parity Swap Agreement Counterparty as if such amounts were amounts of interest due on said Bonds; and the Trustee shall pay to the Parity Swap Agreement Counterparty, to the extent required under the Parity Swap Agreement, amounts deposited in the aforesaid account.

In the event that the moneys on deposit in the applicable Series Credit Facility Fund are insufficient to pay, as it becomes due, any Reimbursement Obligation resulting from a draw on a Credit Facility to pay principal of or interest on Bonds and any obligation under a Parity Swap Agreement relating thereto, in each such case to the extent such interest or principal is payable from such account or such Reimbursement Obligation is payable from a Series Credit Facility Fund on parity therewith, the Trustee shall withdraw first from the Bond Proceeds Funded Account, and, if necessary, second from the Revenue Funded Account, of the Reserve Fund and shall deposit to the credit of such account and/or each such Series Credit Facility Fund, as the case may be, an amount sufficient to remedy said deficiency (and if the amount available is insufficient for such purposes, to the credit of each such account or fund in proportion to the respective amount of its deficiency). There are no Parity Swap Agreements associated with the 2015 Bonds.

Net amounts received by the Authority or the Trustee from the counterparty pursuant to a swap agreement shall be deposited to the credit of the Interest Account or, if money has been deposited to the credit of the Interest Account from a drawing pursuant to a Credit Facility, to the credit of the applicable Series Credit Facility Fund.

Unless it has received an opinion from Bond Counsel to the effect that such action will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes, once the Authority has entered into a Parity Swap Agreement, the Authority will take no action the effect of which would be to either terminate the Parity Swap Agreement in advance of its scheduled expiration date or cause the notional amount thereunder to be different from the principal amount of the then Outstanding Bonds to which such Parity Swap Agreement relates.

Subordinated Indebtedness; TIFIA Indebtedness; Dilution of Senior Lien Security Upon Bankruptcy-Related Event

Except to the extent restricted by a Supplemental Indenture or by the TIFIA Loan Agreement, the Authority may issue or incur Subordinated Indebtedness without limit; provided, however, the Authority may only incur TIFIA Indebtedness that is secured by a springing lien upon the occurrence of a Bankruptcy-Related Event if such proposed TIFIA Indebtedness (other than the TIFIA Series 2015 Bond) meets the requirements described under the heading "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS – Additional Bonds – *Tests for Issuance of Certain Bonds*"; and provided, further, that the Authority may incur TIFIA Indebtedness that is not subject to a springing lien without limit or that is considered Completion Bonds subject to the requirements described under the heading "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS – Additional Bonds – *Completion Bonds*". See "PLAN OF FINANCE - TIFIA Indebtedness."

The Indenture provides that the TIFIA Series 2015 Bond evidencing the TIFIA Indebtedness will have a lien on the Pledged Funds securing the TIFIA Indebtedness on parity with the Bonds and Parity Obligations upon the occurrence of a Bankruptcy-Related Event, as defined under "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS – Sources of Payment – *Bankruptcy-Related Events*" herein.

Upon the occurrence of a Bankruptcy-Related Event while the TIFIA Lender owns the TIFIA Indebtedness, the TIFIA Series 2015 Bond (other than any portion thereof that has been sold to a non-governmental commercial entity) will be secured by and payable from the Pledged Funds on a parity with all Bonds, including the 2015 Bonds, and Parity Obligations. **Notwithstanding the prior sentence, the owners of the TIFIA Series 2015 Bond (and other TIFIA Indebtedness) shall, at all times, be deemed a Bond Owner for purposes of directing remedies upon an Event of Default under the Indenture. Upon the occurrence of any Event of Default under the Indenture, the Trustee shall take action to enforce the remedies described in the Indenture upon the written direction of the Owners of not less than a majority of the aggregate of Principal Obligation of the Bonds and TIFIA Indebtedness then Outstanding. Thus, the TIFIA Lender, as the expected holder of greater than a majority in aggregate Principal Obligation of the Bonds and TIFIA Indebtedness then Outstanding under the Indenture, would be able to direct remedies under the Indenture without the consent of the owners of the 2015 Bonds. In addition, so long as the owners of the 2015 Bonds do not constitute a majority of the aggregate of Principal Obligation of the Bonds and TIFIA Indebtedness then Outstanding, the owners of the 2015 Bonds will be unable to direct remedies under the Indenture upon the occurrence of an Event of Default.** The terms of the TIFIA Loan Agreement include a deferral of interest on the TIFIA Series 2015 Bond through the construction period and allow the payment of accrued interest through Fiscal Year 2023. Accrued interest on the TIFIA Series 2015 Bond that is not paid in any period is added to the principal amount of the TIFIA Series 2015 Bond. See APPENDIX D – "Form of the TIFIA Loan Agreement." Following a Bankruptcy-Related Event, the principal amount of the TIFIA Series 2015 Bond may be materially larger than the original loan amount referenced in this Official Statement due to the accretion of such accrued but unpaid interest.

The Indenture permits the Authority, subject to certain conditions, to issue from time to time additional Subordinated Indebtedness in the form of or securing payment of TIFIA Indebtedness, and if the Authority meets the tests for the issuance of additional Series of Bonds described in "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS – Additional Bonds – *Tests for Issuance of Certain Bonds*" and such Subordinated Indebtedness is structured in a similar way as the TIFIA Series 2015 Bond, such TIFIA Indebtedness may also be deemed to be secured on parity with the 2015 Bonds, other Bonds outstanding and any Parity Obligations upon the occurrence of a Bankruptcy-Related Event.

The term "Bankruptcy-Related Event" as defined in the Indenture includes the Authority becoming unable to pay its debts generally as they become due. Thus, it is not necessary for the Authority to file as a debtor under Chapter 9 of the U.S. Bankruptcy Code in order for a Bankruptcy-Related Event to occur. Moreover, the Authority's ability to pay its debts generally as they become due is not always subject to precise determination. Any failure by the Authority to make two (2) consecutive TIFIA Debt Service payments with respect to TIFIA Indebtedness in a timely manner may provide the TIFIA Lender with the opportunity to claim that a Bankruptcy-Related Event has occurred.

DELAWARE TRANSPORTATION AUTHORITY

General; Relation to the Department of Transportation

The Authority is a body corporate and politic constituting an instrumentality of the State, which pursuant to the Delaware Transportation Authority Act, Chapter 13, Title 2, Delaware Code, as amended, and the Transportation Trust Fund Act, Chapter 14, Title 2, Delaware Code, as amended (collectively, the *"Act"*) has been established and is authorized to create an economical, efficient and unified system of air, water, vehicular, public and specialized transportation in the State. The Act, however, specifically excludes the following from the jurisdiction of the Authority: the New Castle County Airport, the Sussex County Airport, the Port of Wilmington and the Wilmington Parking Authority facilities. Actions by the Authority, including the issuance of debt, are taken by resolution of the Secretary of the Department, the Director of Finance of the Department and the Transportation Trust Fund Administrator. The Department has overall responsibility for coordinating and developing comprehensive, multi-modal transportation planning and policy for the State. The Department is headed by the Secretary of Transportation who is appointed by the Governor, subject to confirmation by the State Senate.

Powers and Responsibilities of the Authority

The Act gives the Authority broad powers in order to effectuate its statutory purposes of creating a unified transportation system for the State. It has the power to make and enforce rules and regulations; and to establish, fix and revise, and charge and collect charges, fares, fees, rates, rentals and tolls for the use of any transportation facility it operates. The Authority is empowered to create subsidiaries to perform its duties and functions. The Authority also has the power to issue bonds, with the approval of the State, and the State's Bond Issuing Officers (the Governor, the Secretary of Finance, the Secretary of State and the State Treasurer) (the *"Bond Issuing Officers"*), to finance improvements to the State's transportation systems. Approval by the General Assembly of the State (the *"General Assembly"*) is not required for the Authority to issue bonds to refund any of its bonds provided that a present value debt service savings is achieved in such refunding. The Authority also has the power to pledge its revenue to secure its obligations. To assist the Authority in carrying out its responsibilities, the State has created the Transportation Trust Fund ("TTF"), which the Authority administers. See "DELAWARE TRANSPORTATION AUTHORITY – Transportation Trust Fund."

Acting pursuant to its powers, the Authority owns the Delaware Turnpike, an 11.3 mile limited access highway which is part of Interstate 95. The Authority also owns the Route 1 Toll Road which consists of a 41-mile fully controlled access highway extending from a connection with the southern terminus of the new Route 1 freeway just south of Wilmington to points south of Dover on U.S. Routes 13 and 113. See "SOURCES OF REVENUE FOR THE TRUST FUND - Toll Revenue," "DELAWARE TRANSPORTATION AUTHORITY – Transportation Trust Fund" and APPENDIX H – SUMMARY OF PLEDGED TTF REVENUES.

In addition, the Authority, through its subsidiary, the Delaware Transit Corporation, owns, operates and subsidizes numerous transportation services and facilities throughout the State, including a public bus system which operates primarily in and around Wilmington, the State's largest city; a public bus system in and around Dover, the State's capital; a public bus system which operates on a seasonal basis in Eastern Sussex County during the summer resort season; statewide specialized transportation services for the elderly and handicapped; passenger rail service between Newark and Philadelphia; freight rail and aviation and various statewide and local transit services.

Management of the Department and the Authority

The following persons fill key management positions in the Department and the Authority:

JENNIFER L. COHAN serves as Cabinet Secretary for the Department. Her responsibilities consist of managing the day-to-day operations of the State's transportation system, including transit, motor vehicles, project construction, maintenance, planning, IT and human resources functions. She is also charged with directing a billion dollar budget and nearly 2,800 employees. Secretary Cohan's State government career has spanned nearly 25 years. From 2007 to her confirmation by the Delaware State Senate on January 28, 2015, Secretary Cohan served as Director of the Delaware Division of Motor Vehicles. Prior to that, she has held an array of leadership positions within the Department in the areas of Planning, Finance and Motor Carrier Safety. She was also a Financial/Program Analyst and Program Manager of the Clean Water Program at the Delaware Department of Natural Resource and Environmental Control and a Senior Legislative Analyst for the Delaware Legislature – Office of the Controller General. Secretary Cohan graduated summa cum laude from Wilmington University where she received a Bachelor of Science Degree in Business Management. She also received a Master of Science Degree in Management – Public Administration from Wilmington University.

MARK ALEXANDER became Director of Maintenance and Operations for the Department in September 2013. During his 26-year career with the Department, Mr. Alexander has primarily served the geographic areas of Kent and New Castle Counties where he most recently was an Assistant Director for Maintenance and Operations – Canal District. In that role, Mr. Alexander supervised more than 180 employees with primary responsibility for maintaining roads and bridges in the Canal District, along with Public Works duties for all of New Castle County. He was also responsible for statewide outdoor advertising and roadside control. In addition to a Bachelor of Science Degree in Civil Engineering from the University of Delaware, Mr. Alexander holds his Professional Engineer's license in the State.

HUGH CURRAN joined the Department in July 2013 as the Director of Finance. Mr. Curran has 30 years of financial management experience in both the private and public sectors, advising leadership on strategy, planning, investments, and risk management. Prior to joining the Department, Mr. Curran held finance leadership roles at MBNA Corporation, Barclays, Morgan Stanley, and Merrill Lynch. Mr. Curran holds a Bachelor of Science degree in Finance and a Masters in Business Administration both from the University of Delaware. He is also a Certified Management Accountant.

LI WEN LIN, Director of Technology and Innovation, joined the Department in May 2015. Ms. Lin has 17 years of IT experience with a concentration in project/portfolio management. Prior to joining the Department, Ms. Lin was a Senior Team Leader at the Department of Technology and Information, responsible for the project/portfolio, customer engagement and organizational change management teams. Ms. Lin holds a Bachelor of Arts degree in Political Science from the University of Delaware and has completed the Masters of Public Administration program at Wilmington University. She is also a Project Management Professional (PMP).

ROBERT MCCLEARY was named Chief Engineer and Director of Transportation Solutions for the Department in October, 2013. Mr. McCleary has 27 years of civil engineering experience in both the private and public sectors. He has been with the Department since 1993 and has managed a broad array of programs involving the delivery of the Department's capital program. Mr. McCleary has a broad background in civil engineering including roadway and bridge design, environmental compliance, and project management. Mr. McCleary holds a Bachelor of Civil Engineering from the University of Delaware, is a registered Professional Engineer in the State and is a Past President of the American Society of Civil Engineers, Delaware Chapter.

BRIAN G. MOTYL, Assistant Director of Finance and Transportation Trust Fund Administrator, joined the Department in May 2006. Prior to coming to the Department, Mr. Motyl was a Fiscal Management Analyst with the Department of Natural Resources and Environmental Control where he was responsible for the financial management of the Water Pollution Control State Revolving Fund, the Wastewater Management Account and various loan/grant portfolios. He has experience working on and managing several of the Authority's issuances of revenue bonds, Build America Bonds and GARVEE Bonds. Mr. Motyl holds a Bachelor of Science Degree in Business/Public Management from the State University of New York, College of Technology at Utica/Rome.

GEOFF SUNDSTROM, Director of Public Relations, joined the Department in December 2010 as Deputy Director of Public Relations. He was promoted to Director in September 2011. Mr. Sundstrom has a decades' long career in transportation-related media and public relations, most recently serving as Director of Public Relations for the national office of AAA in Heathrow, Florida. During 21 years with the 52 million-member AAA, Mr. Sundstrom was responsible for business line publicity and served as the lead spokesman to national print and broadcast media on a wide variety of consumer issues. Previous to joining the AAA, he was Washington, D.C.-based transportation journalist for *Automotive News* magazine and the New York Journal of Commerce. He is a recipient of the Public Relations Society of America's Silver Anvil Award for achievement in public relations and holds a Bachelor of Science Degree in Journalism from Northern Arizona University in Flagstaff.

MARK TUDOR, PE, Assistant Director, North Region and U.S. 301 Project Director. Mr. Tudor is a graduate of the University of Delaware with a Bachelor of Science in Civil Engineering and a registered Professional Engineer in the State with over 20 years of experience in the planning and design of transportation projects. He manages all Capital Transportation Improvement Projects and Programs in New Castle County, Delaware's most populous county. In this role, his responsibilities include the management of projects from National Environmental Policy Act (NEPA) project development oversight to Concept Design into Final Design and ultimately design-support during project construction. Mr. Tudor has managed and been involved with multiple large and complex projects throughout New Castle County, including: interchange reconstructions along I-95 at SR 1, SR 141 and US 202; reconstruction and widening of highways including SR 141, SR 2, SR 7, and US 40; rail improvement projects along Amtrak's Northeast Corridor; and numerous intersection reconstruction projects and multimodal improvements. Mr. Tudor also served as the Project Manager for the NEPA process of the New U.S. 301 Project from the Notice of Intent in 2005 to the Record of Decision in 2008 and currently serves as the U.S. 301 Project Director during Final Design and construction financing. Mr. Tudor is the recipient of the Department's Eugene E. Abbott Secretary's Award in 2008 for Transportation Innovation and Excellence for his work with the U.S. 301 Project.

SCOTT VIEN, Director of the Delaware Division of Motor Vehicles (DMV), joined DMV as a Management Analyst in April 2006, where he has since served in the capacities of Commercial Driver License Program Manager, Chief of Driver Services, and Deputy Director. As an active member of the American Association of Motor Vehicle Administrators (AAMVA), Scott is currently a Member-at-Large on the AAMVA Region I Board of Directors, and has served as Chair of the Card Design Standards (CDS) Committee, Vice-Chair of the e-ID Working Group, and as an Identity Management Representative for the Driver Standing Committee. Scott holds a Masters Degree in Public Administration and a Bachelor's Degree in Business Management from Wilmington University.

Transportation Trust Fund

To facilitate the Authority's development of a unified transportation system in the State and to take advantage of the Authority's broad financing powers, in 1987 the TTF was created by law. The TTF was created to consolidate and dedicate transportation related revenue to transportation projects and to provide a flexible mechanism to handle increasing funding requirements over time for all transportation projects in the State. The TTF is the State's financing vehicle for transportation capital expenditures. Funding for such expenditures is derived from bond proceeds, excess TTF revenue, and cash balances.

In addition, the TTF has assumed the responsibility for (1) the operating expenses of the Authority (including the Delaware Transit Corporation), the Delaware Turnpike and the Route 1 Toll Road and all of the other divisions of the Department and (2) debt service on general obligation bonds previously sold by the State for transportation projects.

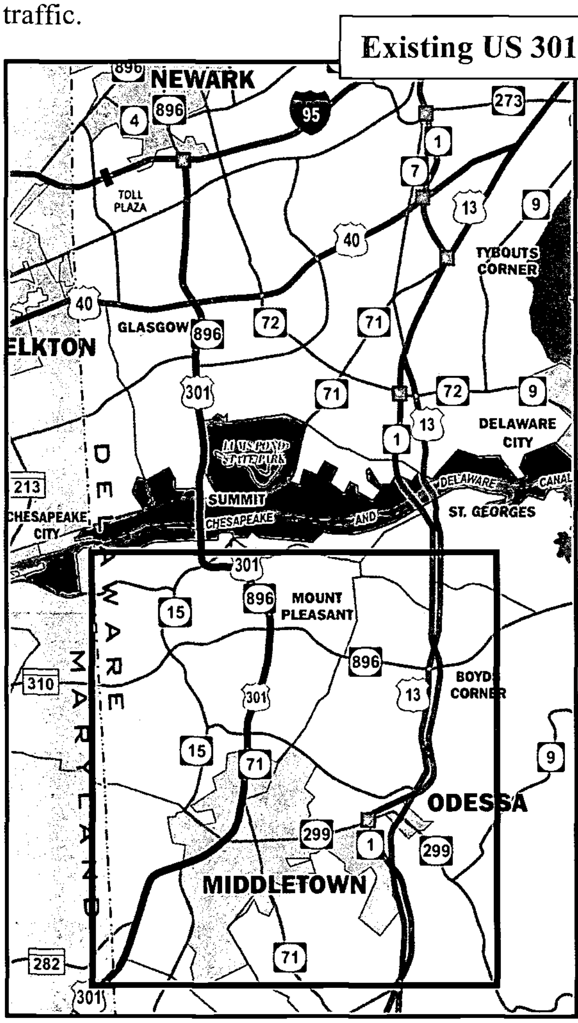
The TTF was initially funded in fiscal 1988 with existing cash balances of $22.5 million, a special one-time appropriation from the State's General Fund of $27.8 million plus the dedication of revenue streams (including investment earnings) then aggregating approximately $76.2 million per year. Since establishing the TTF, the State has increased fee and tax rates for existing dedicated revenue streams and has assigned to the TTF certain additional sources of transportation related revenue, as well as certain additional transportation related expenses. As a result, revenues to the TTF have increased substantially since fiscal 1988 and totaled $481.0 million in fiscal year 2015 (of which $412.8 million is derived from Pledged TTF Revenues). Revenues are estimated to reach $517.7 million in fiscal year 2016 ($446.3 million anticipated from Pledged TTF Revenues). See APPENDIX H – SUMMARY OF PLEDGED TTF REVENUES.

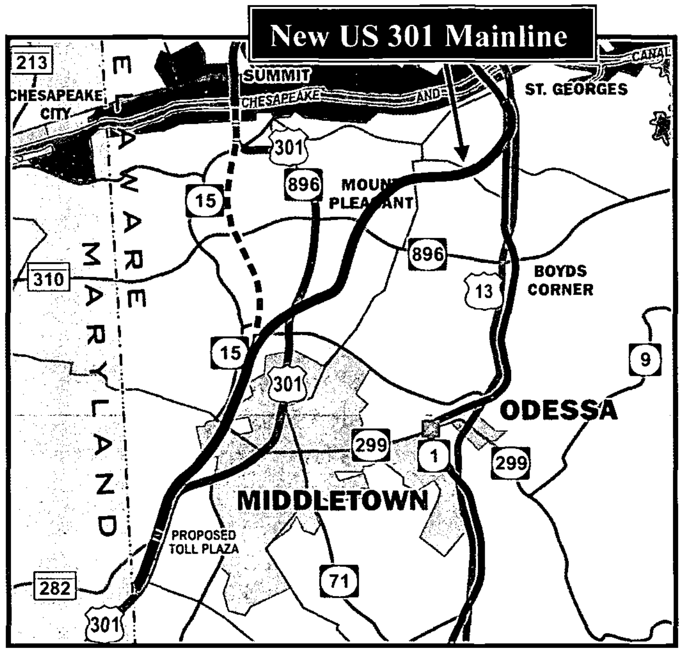
Revolving Line of Credit with PNC Bank, National Association

In November 2013, the Authority issued its General Obligation Note, Series 2013 (Revolving Line of Credit) (the "*2013 Note*") to PNC Bank, National Association in a maximum principal amount of $50,000,000. Under the terms of the 2013 Note, the Authority can request advances during the revolving period, which expires on November 8, 2016 (the "*Revolving Period*"). Amounts advanced under the Note that are repaid may be advanced again during the Revolving Period, but the aggregate principal outstanding at any one time may not exceed $50,000,000. Principal on all amounts advanced is due on November 8, 2016 unless the Authority elects to convert the outstanding aggregate amount of advances made during the Revolving Period to a fixed-rate, term loan for an additional term of up to 5 years. Amounts due under the 2013 Note are unsecured general obligations of the Authority. To date, the Authority has not requested any advance under the 2013 Note.

THE NEW U.S. 301 PROJECT

Existing U.S. 301 (part of the National Highway System) extends approximately 1,100 miles from Sarasota, Florida, to U.S. 40 in New Castle County, Delaware. The opening of the National Interstate System reduced the significance of U.S. 301 as an interstate route. However, as a result of increases in traffic volumes and congestion on I-95 in northern Virginia and in the Washington D.C. and Baltimore metropolitan regions, along with the cost of tolls on I-95 at the Baltimore Harbor Crossings and I-95 (John F. Kennedy Highway), northeast of Baltimore, U.S. 301 has re-emerged as a through traffic alternative to I-95, between Richmond, Virginia and Wilmington, Delaware, particularly for heavy truck traffic.





In Maryland, U.S. 301/U.S. 50 is a multi-lane, expressway-type roadway, from the Capital Beltway (I-95/I-495) and Washington D.C., to the U.S. 301/U.S. 50 split, east of the Chesapeake Bay Bridge. From the split to the Maryland/Delaware state line, a distance of 40 miles, the four-lane, divided highway has a limited number of at-grade intersections and three grade-separated interchanges. Maryland owns sufficient right-of-way to convert the entire length of U.S. 301, from Queenstown to the Delaware state line, to a fully access-controlled roadway. In fact, Maryland's long-term planning document, Highway Needs Inventory, shows this entire 40-mile segment of U.S. 301 as being completely converted to full access control.

In Delaware, the existing U.S. 301 from the Maryland state line to its terminus at U.S. 40, a distance of 14 miles, has two lane sections (one lane in each direction) and four lane sections with 29 at-grade intersections, most of which provide full directional access. Of the 29 intersections, 18 are signalized. There are also numerous driveways with direct access to U.S. 301 within this 14-mile segment, mostly in the Middletown and Mount Pleasant areas.

The New U.S. 301 Mainline will provide a 13-mile long, four-lane (two lanes in each direction), access-controlled tolled highway on new alignment, extending from existing U.S. 301 at the MD/DE state line to an interchange with SR 1, south of the Roth Bridge over the Chesapeake and Delaware (C&D) Canal. Once constructed, it is anticipated that the new toll road will remove the "neck in the bottle" of the regional highway network, i.e. existing U.S. 301 from the MD/DE state line to U.S. 40 and I-95 and its 2-lane sections, 29 at-grade intersections and numerous direct access driveways. When connected to existing SR 1 (the major north-to-south tolled expressway in Delaware), the New U.S. 301 Mainline will result in, for the most part, an access-controlled expressway type facility from the Washington, DC metropolitan area to I-95, I-495 and I-295, just south of Wilmington, DE, and beyond to Pennsylvania and New Jersey. Additionally, the New U.S. 301 Mainline will manage truck traffic, improve safety, and reduce congestion; support approved and proposed economic development in southern New Castle County (a key Delaware growth area); enhance the region's ability to compete for economic development; create needed jobs; improve local access to the Northeast Corridor Rail (Amtrak), commuter rail (SEPTA) and bus (DART) services; improve livability in the region and reduce fuel consumption and greenhouse gas emissions.

The New U.S. 301 Project will consist of the following features:

- Three interchanges for local access at Levels Road, Summit Bridge Road (existing U.S. 301) and Jamison Corner Road
- Two partial interchanges to connect to other facilities (SR 1 expressway and future Spur Road to SR 896)
- Four basic lanes (two in each direction) with a 70 mph design speed
- Variable typical sections, and a 54-foot wide median
- Ability to expand to six basic lanes (three in each direction) in the future
- Guardrail, retaining walls, and other roadside treatments to reduce the road's footprint and environmental and community impacts
- Intelligent Transportation Systems (ITS)
- Significant environmental mitigation features
- Visual earth berms along adjacent communities
- All Electronic Tolling ("*AET*") - mainline gantries would be located just north of the MD/DE line. Gantries would also be located on the north serving ramps, i.e. ramps to and from the north.

The toll system for the New U.S. 301 Project will be fully electronic, involving a system of overhead gantries which will collect tolls electronically while allowing traffic to flow at highway speed. All users will pay tolls electronically,. either through the use of a transponder (E-ZPass) or through video tolling, in which the vehicle's license plate is photographed and then used to identify and bill the owner of the vehicle. Since there will be no toll plazas, cash payments will not be possible.

Additional information about the New U.S. 301 Project can be found at: http://www.deldot.gov/information/projects/us301/. Information on the Department's website is not incorporated by reference in this Official Statement and prospective purchasers of the 2015 Bonds should rely only on the information contained in this Official Statement.

CONSTRUCTION OF THE NEW U.S. 301 PROJECT

The New U.S. 301 Project has been divided into two major phases – Phase 1 (Project Development) and Phase 2 (Construction).

Phase I – Project Development

The Project Development phase encompasses the preparation and completion of all activities prior to advertising for construction bids for the New U.S. 301 Project, the issuance of the 2015 Bonds and the execution of the TIFIA Loan Agreement (the "*Financial Close*"). Such activities have involved performing project planning, stakeholder involvement, preliminary engineering, conducting traffic and revenue studies, obtaining major environmental approvals and permits, right-of-way ("*ROW*") acquisitions and relocation assistance, negotiating various agreements for consultant support services, such as project planning/environmental documents, engagement of the General Engineering Consultant (GEC) and three Section Design Consultants (SDCs) for the development of the design-bid-build construction contract documents, securing project funding and negotiating utility agreements and a railroad agreement.

The Department and the Authority, with support from Rummel, Klepper & Kahl, LLP ("*RK&K*"), provided project planning services for the New U.S. 301 Project. The National Environmental Policy Act (NEPA) planning effort for the project, fully funded with TTF revenues, began in 2004. This effort included extensive public involvement, resource agency coordination and the development of a range of alternatives, alternatives retained for detailed study, recommended alternative and selected alternative. The preliminary engineering and environmental studies determined that a full Environmental Impact Statement ("*EIS*") was required; those documents were prepared by the Department, RK&K and a number of sub-consultants specializing in areas such as archaeology, historic resources, air quality and hazardous materials. The Final EIS was released in November 2007. The Record of Decision ("*ROD*") for the New U.S. 301 Project was approved by the Federal Highway Administration (FHWA) on April 30, 2008. Expiration of the NEPA protest period occurred on March 17, 2009. The New U.S. 301 Project is included in the Transportation Improvement Plan (TIP), the State Implementation Plan (STIP) and the Regional Transportation Plan (RTP), adopted by the regional metropolitan planning organization (Wilmington Area Planning Council ("WILMAPCO")).

Environmental Permits and Approvals

Following ROD approval, the Department continued coordination with the resource and regulatory agencies through regular quarterly meetings, special meetings and field reviews. The Corps of Engineers issued a provisional permit for the New U.S. 301 Project, in August 2009, with 401 Water Quality Certificate (WQC) approval by Delaware's Department of Natural Resources and Environmental Control (DNREC) received in January 2012, November 2012 and April 2013 for each of the three New U.S. 301 Mainline design sections. DNREC Coastal Zone Consistency Certification was issued in September 2007. The final Corps of Engineers Permit was issued in January 2013.

Public involvement also continued during the post-ROD/final design period, including workshops held in March 2009 and in September 2011 to present all post-ROD design refinements to the public. More information about theses workshops can be found at the New U.S. 301 Project website at http://deldot.gov/information/projects/us301/. Information on the Department's website is not incorporated by reference in this Official Statement and prospective purchasers of the 2015 Bonds should rely only on the information contained in this Official Statement.

All post-ROD design refinements, as reflected in the Department's November 2011 Design Refinements Report, have been concurred with or not objected to by the State and Federal Environmental Resource and Regulatory Agencies. On December 7, 2011 and as part of the required project environmental reevaluation, the FHWA approved the Department's post-ROD Environmental Reassessment and confirmed that the "[ROD] issued on April 30, 2008 remains valid and that the design refinements will not result in a significant change in socioeconomic, cultural or natural resources impacts as previously approved." No significant changes have occurred since the November 2011 Design Refinements Report.

The Department has secured all necessary environmental permits, as noted in the table below. The Department has recently requested and received extensions of the Maryland Department of the Environment (MDE) Non-Tidal Wetlands and Waterways Permit and the MDE E&S/SWM Permit as well as receipt of the Middletown Flood Plain permit. All other permits do not expire for several years or at all. There are presently no known archaeological, hazardous waste, historical, or environmental impediments.

Table 1: New U.S. 301 Mainline – Permits Secured

Permits and Approvals	Date Issued
Delaware Coastal Management Federal Consistency Certification; FC# 07.037	9/14/2007 (Mod. 4/4/11)
MDE Non-Tidal Wetlands and Waterways Permit; 10-NT-0112/201060367	12/13/2011
DNREC Water Quality Certification (Section 3); WQ-276/11	1/30/2012
DNREC Subaqueous Lands Permit (Section 3); SP-233/11	1/30/2012
New Castle County Delaware Floodplain Permit (Section 3); SLD # 2011732	1/31/2012
New Castle County Delaware Floodplain Permit (Wildlife Culvert and BR1-10); SLD # 20120592	10/11/2012
New Castle County Delaware Floodplain Permit (Section 2 – BR 1-508A); SLD # 20120689	11/1/2012
DNREC Water Quality Certification (Section 1); WQ-147/12	11/9/2012
DNREC Subaqueous Lands Permit (Section 1); SP-145/12	11/9/2012
DNREC Wetland Permit (Section 1); WE-146/12	11/9/2012
Maryland Reforestation Law Approval; T200811301	11/14/2012
Department of the Army Individual Permit; CENAP-OP-R-2006-6071-1	1/7/2013
DNREC Water Quality Certification (Section 2); WQ-315/12	4/29/2013
DNREC Subaqueous Lands Permit (Section 2); SP-312/12	4/29/2013
FEMA Conditional Letter of Map Revision (BR 1-1, 1-2,1-4,1-6,1-7); 13-03-1034R	9/25/2013
Middletown Flood Plain Approval (Section 2 Wetland Mitigation Site)	09/28/2015
MDE E&S Approval	10/30/2015
MDE NPDES permit	11/04/2015

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Right-of-Way (ROW)

The Department is responsible for the acquisition of all required ROW for the New U.S. 301 Project. The New U.S. 301 Mainline requires 1,757 acres of ROW, consisting of 138 parcels at an estimated cost of approximately $95 million, including ROW contingency. The ROW acquisition activities have been fully funded by monies from the TTF, federal aid formula funds, and proceeds from the 2010 GARVEE Bonds and are anticipated to be completed under budget. All relocation assistance activities have been completed.

As of October 27, 2015, the Department has acquired and taken title or legal possession rights to 130 of the 138 parcels, representing approximately 97% (1,704 acres) of the total 1,757 acres of ROW required. The remaining 8 parcels are in negotiations, and the ROW process is projected to be completed by the end of calendar year 2015 for the four parcels required for Construction Contracts 1A (construction start January 2016), 1C (construction start February 2016) and 1D (construction start April 2016) and by June 2016 for the four parcels required for Construction Contract 2B (construction start January 2017). The Department anticipates that 100% of the ROW will be acquired or legal possession secured prior to the construction start date for each contract. The acquisition schedule has been developed to acquire the critical and time sensitive parcels first.

To minimize or avoid delays, the Department is able to use its eminent domain power, to obtain an Order of Possession to take ownership of a parcel at the outset of the proceeding, leaving the amount of compensation as the only matter to be litigated.

Final Design/Preparation of Construction Contract Documents - Roadways

The final design/preparation of construction contract documents efforts have been fully funded by monies from the TTF, federal aid formula funds, and proceeds from the 2010 GARVEE Bonds and are 96% complete and are anticipated to be completed slightly under the $69 million budget. Bid packages for the roadway contracts are projected to be completed in Fall 2015, except for Contract 2B, which is scheduled to be completed in Summer 2016, with an advertisement date of Fall 2016 and construction notice to proceed ("*NTP*") in early 2017.

Section Design Consultants: Under the direction of Department and its GEC team (RK&K and Century Engineering, both with significant GEC experience on major highway projects), the following three consulting engineering Section Design Consultant (SDC) teams have provided final design/preparation of roadway construction contract documents. *Design Section 1 – New U.S. 301 Project, Norfolk Southern Railroad to SR1:*

Whitman Requardt & Associates/McCormick Taylor

Construction Contracts:

- 1A: U.S. 301, SR 896 to SR 1
- 1B: U.S. 301 & SR 1 Interchange
- 1C: U.S. 301, Norfolk Southern Railroad to SR 896
- 1D: U.S. 13 and Port Penn Road Intersection

Design Section 2 – New U.S. 301, Levels Road to Norfolk Southern Railroad:

AECOM/URS

Construction Contracts:

- 2A: U.S. 301, Levels Road to Summit Bridge Road
- 2B: Summit Bridge Road & Armstrong Corner Road Intersection Improvements

Design Section 3 – New U.S. 301, South of Maryland state line to Levels Road: **Jacobs/Pennoni**

Construction Contract:

- 3: U.S. 301, South of Maryland state line to Levels Road

Specialty Consultants: The Department, the GEC team and SDCs were also supported by a number of specialty consultants in cultural resources, hazardous materials, utilities, toll facilities design, All Electronic Tolling (AET), air quality and a test pile program.

Toll Facilities Design: **Gannett Fleming**

Gannett Fleming is experienced in toll facility design, including communications systems, electronic tolling (all-electronic, open-road, and variable/dynamic), high-speed EZ Pass, managed tolling/express lanes, signing, toll plazas, etc. The toll infrastructure for the new U.S. 301 toll road, including the toll gantries, toll huts and conduit plans within each toll zone has been designed by Gannett Fleming, who successfully designed the toll infrastructure for the Department's SR 1 toll road.

All Electronic Tolling (AET) Specialists: **IBI Group**

The IBI Group is experienced in matters relating to all-electronic / open road or plaza / attended lane tolling, managed lanes (e.g., high-occupancy / toll lanes, express lanes), and interoperability at the toll zone and the back-office. Services include conceptual design, technology assessment, detailed design, procurement assistance, implementation oversight and testing, and operations assistance, addressing topics such as traffic projections, financial implications, technology, traffic operations, safety, customer relations, marketing, and maintenance.

Test Pile Contractors: **R.E. Pierson Construction Company/D.W. Kozera, Inc./Walton Corporation**

A design phase test pile program was undertaken, in an effort to increase the reliability of the geotechnical resistance calculations for various piles, determine the most economical pile type for the proposed structures, and to provide the contractors with actual pile driving records during the bid phase. The subsurface conditions throughout the New U.S. 301 Project site are relatively consistent; thus, using reasonable engineering judgment, the results from this program have been utilized by the section designers and will likely be used by contractors in developing their bids.

Advance Utilities

The advance utility relocations are fully funded from proceeds from the State TTF and the 2010 GARVEE Bonds and are currently 80% complete, slightly under budget and projected to be completed in May 2016.

To minimize risk of delays during the New U.S. 301 Mainline construction, the Department has worked with the utility companies to advance the relocation of their facilities. Monthly utility coordination meetings have been held throughout the project development process to identify material ordering lead time and relocation work schedules. The Department, through the GEC team and the SDCs, has reviewed utility relocation designs to assure the installations do not conflict with proposed temporary and permanent road construction. New utilities or updated facilities that the utility companies install within the New U.S. 301 Project limits have been coordinated to either avoid the proposed future construction or to include provisions in their initial installation to minimize the work needed when relocations are undertaken in the future. The GEC team provided initial survey stakeout for the relocations at critical points for the proposed road construction; oversight of the relocation work; and survey of the as-built conditions. The as-built conditions were then provided to the SDCs to include in the contract documents.

A majority of the utility relocations can be accomplished in advance of the New U.S. 301 Mainline construction. Of the 26 individual utility advance relocations, 20 have been completed through the end of September 2015, two are approximately 90% complete, two began in October 2015 and are scheduled to be complete by the end of December 2015 and the remaining two are scheduled to be completed in May 2016 and are not expected to impact the construction Contract 2A construction schedule.

Where the utility relocations have to be performed, during roadway construction, work is being included in the roadway contracts, where appropriate, to minimize risk of delays. This work includes having the contractor: perform relocation work for utilities owned by governmental agencies; install materials supplied by the utility companies; and provide traffic control for the utility companies. Information on the status of the utility relocations and the requirements for the completion of the utility relocations is included in the construction contract documents.

Agreements have been reached with various utilities, with respect to utility relocations, and with the Norfolk Southern Railroad on work to be performed on railroad property. Information on the required insurance, submissions and coordination required with the Norfolk Southern Railroad are included in the two affected construction contracts: 2A and 1C.

Phase 2 - Construction

The construction phase includes the activities that begin with the advertisement of the design-bid-build construction contracts for construction bids. The Phase 2 activities generally include the construction of the New U.S. 301 Mainline, the commencement of toll operations and revenue collection and construction closeout. The U.S. 301 construction contracts will be procured using the Department's standard design-bid-build delivery method, which does not provide for guaranteed maximum prices. The Department's standard construction contracts are the result of a competitive bid process that involve both lump sum/fixed price bid items and bid items based on Department estimated quantities and bid unit prices. The Department has found this procurement method to promote competition and, under normal conditions, to result in final quantities being fairly similar to estimated quantities.

Construction Contracts

The New U.S. 301 Mainline includes seven roadway construction contracts plus two advance clearing contracts, a toll infrastructure contract and two landscaping contracts. The seven separate roadway construction contracts have been established to: (i) minimize and manage construction risks; (ii) minimize coordination/interfaces between contractors; (iii) optimize competition (regional and local); and (iv) complete construction in a timely and cost effective manner.

Roadway Construction Contracts (7): The seven roadway construction contracts are:

- 1A: U.S. 301 SR 896 to SR 1
- 1B: U.S. 301 & SR 1 Interchange
- 1C: U.S. 301, Norfolk Southern RR to SR 896
- 1D: U.S. 13 and Port Penn Rd Intersection
- 2A: U.S. 301, Levels Road to Summit Bridge Rd
- 2B: Summit Bridge Road & Armstrong Corner Rd Intersection Improvements
- 3: U.S. 301, Maryland State Line to Levels Rd

Advance Clearing Contracts (2): The New U.S. 301 Project will impact approximately 70 acres of trees along the 13-mile corridor. The impacts are to individual trees, hedge rows, scrub areas and forests located both within 100 feet of existing roads ROW and 100 feet beyond existing road ROW. In order to avoid and minimize potential impacts to the recently listed threatened Northern Long-eared Bat species (NLEB [Myotis septentrionalis]), the project cannot clear forests that could serve as potential NLEB habitat during the summer habitat period of April 15th through August 30th. Due to the timing of the project construction contracts and a desire to avoid project delays, the Department has advertised and anticipates award and NTP for two advanced clearing contracts in late 2015/early 2016, in order to clear forest before April 15, 2016.

Toll Infrastructure Contract: The Department will advertise a single structural contract for all toll gantries and huts. This contract will include the hut heating, ventilation and air conditioning (HVAC), the generators and the conduits from the huts to the gantries. Under this contract, the power lines and fiber optic lines will be fed into the toll huts.

Landscaping Contracts: Two landscaping contracts will be let during Fiscal Year 2018 to include North Area (Contracts 1A and 1C) and South Area (Contracts 2A and 2B).

Construction Schedule

The anticipated schedule for advertising, bidding, awarding and providing successful contractor NTPs are noted in the following table:

Table 2: U.S. 301 Construction Schedule

Contract/Description		Adv Period Weeks	Adv Date	Bid Date	Award Date	NTP	Constr Period (months)	Complete Constr Date
1A	US 301 SR 896 to SR 1	6	8/31/15	10/13/15	11/12/15	1/4/16	40 (35 to open US 301)	06/19 (12/18 to open US 301)
2A	US 301, Levels Road to Summit Bridge Rd	5	9/14/15	10/20/15	11/19/15	1/4/16	40 (35 to open US 301)	06/19 (12/18 to open US 301)
1C	US 301, Norfolk Southern RR to SR 896	5	11/2/15	12/8/15	1/7/16	2/15/16	28	06/18
3	US 301, Maryland State Line to Levels Rd	6	11/9/15	12/22/15	1/21/16	3/15/16	28	06/18
1D	US 13 and Port Penn Rd Intersection	5	1/11/16	2/16/16	3/17/16	4/18/16	26	06/18
1B	US 301 & SR 1 Interchange	6	1/11/16	2/23/16	3/24/16	4/25/16	29	09/18
2B	Summit Bridge Road & Armstrong Corner Rd Intersection Improvements	6	08/16	09/16	10/16	01/17	19	08/18
2C	US 301 Maintenance Equipment Procurement	7	2017	2017	2017	2017	12	07/18
	US 301 Clearing South, Maryland State Line to Bunker Hill Road	4	10/15	11/15	12/15	1/16	4	04/16
	US 301 Clearing North, Bunker Hill Road to SR 1	4	10/15	11/15	12/15	1/16	4	04/16
	US 301 Toll Infrastructure	5	1/17	2/17	3/17	4/17	20	12/18
	Landscaping – 2A & 2B	4	9/17	10/17	11/17	3/18	9	11/18
	Landscaping – 1A & 1C	4	9/17	10/17	11/17	3/18	9	11/18

Contract 1A was awarded to Tutor Perini on November 12, 2015 and Contract 2A was awarded to Allan Myers MD on November 19, 2015. Contracts 1A and 2A represent an estimated 55% of the total construction bid costs. The total of the two awarded contracts compares favorably to the financial plan budget estimates and is helpful in confirming the estimates for construction.

Construction Costs

The total estimated construction cost is approximately $410 million, to be funded with proceeds of the 2015 Bonds, the TIFIA Series 2015 Bond, and proceeds of the 2010 GARVEE Bonds remaining after completion of the preliminary engineering, ROW acquisition and advance utility relocation activities.

Construction costs include approximately $302 million in actual construction, $53 million for construction engineering/management/inspection, $15 million in miscellaneous construction costs, and $40 million for construction contingency and management reserve.

Construction Management, Engineering and Inspection

The seven roadway construction contracts will be procured and managed by the Department using its traditional design-bid-build process, which includes a comprehensive project management and monitoring plan. Based on the Department's expertise and experience with similar major toll projects, the Department, with support from the GEC team, SDCs and Section Inspection Consultant teams (SICs), will manage the construction of the New U.S. 301 Mainline using the traditional design-bid-build processes. The Department has been and will continue to be responsible for major decisions concerning design, procurement and implementation of the New U.S. 301 Project. Decisions such as award of contracts will be considered and approved by the Department. Upon construction completion, the Department will assume responsibility for the operation and maintenance of the New U.S. 301 Mainline.

The Department has developed a comprehensive project management and compliance monitoring plan to address all aspects of the New U.S. 301 Project's conformity with applicable federal, state and local laws and regulations. The financial and construction management teams for the New U.S. 301 Project, comprised of decision-making personnel from the Department and its consultants, will monitor and manage the finance plan and construction of the New U.S. 301 Project. For additional information, visit the website for the New U.S. 301 Project at: http://www.deldot.gov/information/projects/us301/pages/revenue_reports.shtml. Information on the Department's website is not incorporated by reference in this Official Statement and prospective purchasers of the 2015 Bonds should rely only on the information contained in this Official Statement.

The U.S. 301 Project Management Plan (PMP) includes the qualification and selection process for the GEC *(completed)*, three SDCs *(completed)*, Specialty Consultants *(completed)*, SICs *(selection completed/NTP of four consultant inspection teams anticipated by December 1, 2015)*, contractors *(two awards made, two additional contracts out for bids)*, the construction management process, and the final completion of the New U.S. 301 Project. The PMP, approved by FHWA on May 27, 2008, provides a summary description of the organization, management systems, and processes that will guide the remaining activities (construction) required to complete the New U.S. 301 Project. This monitoring plan is consistent with the FHWA guidance document related to project management plans for major projects. The PMP is a living document that has been updated twice - initially in 2010 and approved by FHWA on October 18, 2010 and updated again in December 2011 to address matters pertaining to internal management, effective Quality Assurance/Quality Control, comprehensive document management, public affairs, and a proactive Disadvantaged Business Enterprise Program. The PMP also presents the overall organization linking the Department, FHWA and other parties participating in the New U.S. 301 Project; identifies roles and responsibilities of participants in performing and managing work for the New U.S. 301 Project; provides guidelines for issues key to the success of the New U.S. 301 Project; provides procedures for reporting progress; outlines quality assurance and quality control procedures; and defines communication channels among the Department, FHWA and other participants and agencies, to assist in forging close working relationships with local entities and stakeholders affected by the New U.S. 301 Project.

Construction Contracts Security Provisions

The construction contracts for the New U.S. 301 Project will include the following provisions in accordance with Department procurement requirements:

Bid Bond: Contractor bid proposals must include a surety bond or a security of the bidder assigned to the Department for at least 10% of the total amount of the contractor's proposal, which deposit is forfeited as liquidated damages if the bid is accepted and the contractor fails to execute a contract with the necessary bond when required for the performance of the contract within 20 days after the date of official notice of award of the contract.

The award of contracts will be made within 30 days after the opening of the proposals to the responsible bidder who submits the lowest responsible proposal. The successful bidder will be notified in writing of the acceptance of the proposal and the award of the contract. The successful low bidder must return the signed contract to the Department within 20 days after the notice that the contract has been awarded.

Performance and Payment Bonds: Simultaneous with the execution of the contract, the successful bidder shall furnish a surety bond or bonds in a sum equal to 100% of the contract price to the State. The bond shall be for the benefit of the Department, as well as for the use and benefit of the Division of Revenue of the State in the case of claims under this bond for any and all taxes due to the State. The bond shall be issued by a corporate surety authorized to do business in this State.

The contractor shall on a form provided by the Department obtain a release from the Division of Revenue indicating that all tax obligations for the Division of Revenue have been satisfied. This form shall be presented to the Department as a condition for the release of bond. The bond shall be conditioned upon the faithful compliance and performance by the successful bidder of each and every term and condition of the contract, at the time and in the manner prescribed by the contract, including the payment in full to every person furnishing material or performing labor or services in the performance of the contract, of all sums of money due the contractor for such labor, services, or material. The bond shall also contain the successful bidder's guarantee to indemnify and save harmless the State and the Department from all costs, damages, and expenses growing out of or by reason of the successful bidder's failure to comply and perform the work and complete the contract in accordance with the contract.

The bond shall provide that every person furnishing materials or performing labor for the successful bidder under the contract may maintain an action on the bond for its own use in the name of the State in any court of competent jurisdiction, for recovery of such sum or sums of money as may be due the person from the successful bidder.

Insurance: The successful bidder must purchase adequate insurance for the performance of the contract and, by submission of a bid, does agree to indemnify and save harmless and to defend all legal or equitable actions brought against the Department or officer or employee of the Department for and from all claims of liability which is or may be the result of the successful bidder's actions during the performance of the contract.

Failure to Execute Contract: Failure by the successful bidder to execute the contract and file an acceptable bond within 20 days after notice of award shall be considered a revocation of the notice of award and forfeiture of the proposal guaranty to the Department. Contract award may then be made to the next lowest responsive bidder or the work may be re-advertised.

Escrow of Bid Documentation (Special Provision): Within 24 hours of the execution of the contract, the contractor shall submit the bid documentation in a sealed container as per the Department's custody agreement form. The container shall be clearly marked "Bid Documentation" and shall show on the face of the container the contractor's name and address, the date of submittal, the contract number, and the project designation. The purpose of escrowing the bid documentation is to preserve the contractor's bid documents for use by the contractor and the Department in the resolution of any disputes, claims, arbitration proceeding, or litigation arising from the contract. The submitted bid documentation shall be placed in escrow with a banking institution and preserved by that institution.

Liquidated Damages at Key Milestones

Liquidated damages, per the Department's current guidelines, will be used for the New U.S. 301 Mainline contract completion times as follows in Table 4.

Table 4: Schedule of Liquidated Damages

Awarded Contract Value		Daily Charge	
For More Than -	**To and including -**	**Work Day**	**Calendar Day**
$ 0	$ 25,000	$ 410.00	$ 290.00
25,000	50,000	420.00	300.00
50,000	100,000	570.00	400.00
100,000	500,000	880.00	630.00
500,000	1,000,000	1,140.00	820.00
1,000,000	2,000,000	1,410.00	1,000.00
2,000,000	5,000,000	1,480.00	1,060.00
5,000,000	10,000,000	1,650.00	1,180.00
10,000,000	15,000,000	2,620.00	1,870.00
15,000,000	20,000,000	4,380.00	3,130.00
20,000,000	25,000,000	6,110.00	4,360.00
25,000,000	30,000,000	7,850.00	5,610.00
30,000,000	35,000,000	9,610.00	6,860.00
35,000,000	Over	11,340.00	8,100.00

Termination of Contract

The Department may, by written order to the contractor, terminate the contract or any portion of the contract when such termination would be in the best interest of the Department. In the event such termination occurs without fault and for reasons beyond the control of the contractor, all completed items as of the date of termination will be paid for at the contract price. The contractor may not terminate the contract.

Payment for partially completed and eliminated work will be paid for as provided in the contract. Acceptable materials, obtained by the contractor for the work, but which have not been incorporated therein, may, at the option of the Department, be purchased from the contractor at actual cost delivered to a prescribed location, or otherwise disposed of as mutually agreed.

After receipt of notice of termination from the Department, the contractor shall submit, within 60 days of the effective termination date, its claim for additional damages or costs not covered above or elsewhere in the contract specifications. Such claim may include such cost items as reasonable idle equipment time, mobilization efforts, uncompensated bidding and project investigation costs, overhead expenses attributable to the Project terminated, legal and accounting charges involved in claim preparation, subcontractor costs not otherwise paid for, actual idle labor costs if work is stopped in advance of the termination date, guaranteed payments for private land usage as part of original contract, and any other cost or damage item for which the contractor feels reimbursement should be made. The intent of negotiating this claim would be that an adjusted figure be reached with the contractor. In no event, however, will loss of anticipated profits be considered as part of any settlement.

The contractor agrees to make its cost records available to the extent necessary to determine the validity and amount of each item claimed.

Termination of the contract or portion thereof shall not relieve the contractor of its contractual responsibilities for the work completed, nor shall it relieve the surety of its obligation for and concerning any just claim arising out of the work performed.

OPERATION AND MAINTENANCE OF THE NEW U.S. 301 PROJECT

General

The New U.S. 301 Project will be operated and maintained by the Department. The Department will maintain the new toll road from its existing maintenance facility located in Middletown, Delaware. The Operating and Maintenance (*O&M*) budget includes funding of personnel, equipment and materials to maintain the New U.S. 301 Project, beginning with the anticipated open date of the road in December 2018. The O&M costs have been developed by the Department with input from RK&K and the IBI Group.

Routine roadway maintenance services to be undertaken on the Pledged Facility by the Department (or its contractors) will include the following:

- Routine maintenance and periodic rehabilitation of New U.S. 301 roadway elements (pavement, bridges, drainage, lighting, protective barriers, noise barriers, etc.);
- Inspection, operation and maintenance of stormwater management and quality systems directly related to the facility, including periodic removal of accumulated dirt, refuse, and other debris from catch basins, manholes, pipes, culverts and drainage ways;
- Periodic cleaning of bridge bearings, bridge scuppers and downspouts, abutment drains, etc.;
- Maintenance of landscaped areas;
- Cleaning and sealing pavement, shoulder, bridge joints and cracks, as may be required;
- Inspection of structural elements at FHWA-prescribed frequencies and performance of corrective measures and repairs as well as determining the need for replacement;
- Operation, maintenance, and repair of Intelligent Transportation Systems (ITS) components;
- Mechanical and manual pavement sweeping, prompt removal of debris from the road surface, litter pick up, cleaning up after accidents and removal of abandoned vehicles;
- Periodic spraying for controlling weeds along guardrails;
- Removal of graffiti; and
- Periodic grass mowing.

Additionally, the Department or its contractors will oversee the safety and traffic management services on the Pledged Facility and which shall include the following:

- Maintenance of signs and pavement markings to minimum reflectivity standards per the Manual on Uniform Traffic Control Devices (MUTCD);
- Snow and ice removal;

- Repair and/or replacement of damaged railings, guardrails, etc.;
- Maintenance of acceptable pavement serviceability based on pavement roughness, surface deformations and distress requirements;
- Repairs to fences, right-of-way fencing, safety railing and other highway appurtenances;
- Maintenance and safety patrol response to non-scheduled activities requiring minimum response times to keep the roadway operating safely and efficiently; and
- Prompt removal of any vehicles or objects causing obstruction.

Toll Collection Facilities & Systems

Existing Toll Facilities & Systems

The Department currently owns and operates toll collection facilities and systems on two toll roads: the Delaware Turnpike and SR 1. The Delaware Turnpike carries I-95 from the Maryland/Delaware state line to the I-95/I-295/I-495 interchange. It has one mainline barrier toll plaza at the state line offering traditional cash collection lanes and highway speed, Open Road Toll ("*ORT*") lanes. SR 1 is an expressway toll road carrying traffic between Dover and I-95 south of Wilmington. SR 1 has two barrier toll plazas, Biddles and Dover, with traditional cash collection and ORT lanes, and three ramp toll plazas with traditional, Automatic Coin Machine ("*ACM*") and dedicated E-ZPass lanes. The Department collected $174 million in toll revenues in Fiscal Year 2015, plus $10 million in toll violations in Fiscal Year 2015. The facilities process a total of approximately 65 million transactions annually. The customer base on these toll facilities is very mature with 71% of the transactions collected by E-ZPass and a violation rate of 2.3%, even though 94% of the traffic at the I-95 Newark Plaza has out-of-state registered vehicles. The I-95 Newark Plaza carries 40% of the total system-wide transactions. The Department currently processes about 2 million image-based tolls per year. This includes E-ZPass customers who did not have a functional or properly mounted transponder and customers who did not pay with other means at the time of travel.

The roadside toll systems on I-95 were initially designed and installed by the now defunct MFS Network Technologies ("*MFS*"). In 2011, the Department completed the construction of two highway speed toll lanes in each direction with roadside toll equipment installed by TransCore. The traditional lanes are still operating on the MFS system. The Department opened the tolled sections of SR 1 between 1993 and 2001. The two mainline toll barriers had been constructed, or reconstructed, to include highway speed toll lanes using TransCore equipment. As with I-95, the traditional and ACM lanes are still operating on the MFS system. All roadside equipment is maintained by TransCore under its 2006 Agreement #1370 with the Department. Agreement #1370 is set to expire in late 2015, and the professional services currently provided thereunder will continue to be serviced by TransCore under its 2013 Agreement #1601 with the Department (as discussed in the succeeding paragraph).

Toll account management and violation invoicing is performed by TransCore. Pursuant to Agreement #1601, TransCore replaced the entire back-office computer systems and established a new Customer Service Center/Violations Processing Center ("*CSC/VPC*"). The Request for Professional Services (RFP) for Agreement #1601 also identified future needs for when All Electronic Tolling ("*AET*") along the New U.S. 301 Mainline gets added to Delaware's tolling system. This effort was completed by TransCore in 2014. Under Agreement #1601, TransCore will maintain and operate the CSC/VPC through 2022. Through the development process for the new CSC/VPC, the Department and TransCore have refined all business rules for the existing toll operation and account management. As a logical extension of Agreement #1601's current scope, the Department intends to have TransCore maintain all existing roadside toll collection systems through 2022.

The plaza and agency toll host software was developed in 1998 by MFS. The software is maintained by P Square Solutions, a company formed by several of the original MFS software engineers who developed the Delaware toll system. These engineers have maintained the system since inception. This maintenance agreement is renewed on an annual basis with the developers of the software, who have provided responsive service at a reasonable cost since the system's inception.

The Authority is a member of the E-ZPass group, ensuring seamless interoperability with all toll states from North Carolina to Maine. New and replacement AET antennae and readers are procured through a system-wide contract between the E-ZPass group and Kapsch. This contract will be used to procure the antennae and readers for the New U.S. 301 Project.

New U.S. 301 Tolling Facility & System

The tolling system on the New U.S. 301 Mainline will be operated by the Department's Toll Operations, an office of the Division of Motor Vehicles. Communications will be carried by the fiber optic network managed by the Department's Office of Information Technology. The Department is supported in system operations by TransCore, as Toll Integrator, and P Square Solutions, as noted above, pursuant to current agreements.

Toll Infrastructure Design: The toll infrastructure, including the toll gantries, toll huts and conduit plans within each toll zone for each section, has been designed by Gannett Fleming. Gannett Fleming also successfully designed the toll infrastructure for the Department's SR 1 toll road.

Roadway Contracts: The mainline roadway, interchanges and ties to the existing roadway network will be constructed under the seven roadway construction contracts. The roadway construction will include the necessary conduits and the supplying of electric power for all toll, ITS and lighting components in the New U.S. 301 Mainline corridor. A completed surface course on the roadway will be provided to install and test the new toll collection system. The contracts for roadway construction require that the final pavement in the area of the toll gantries be completed at least 90 days before the roadway is open to traffic. The requirement includes adequate approach pavement for test vehicles to safely achieve highway speed before the tolling point and safely stop after the tolling point.

Communication: The New U.S. 301 Mainline corridor will intercept the existing Delaware fiber optic network in two places: (1) the existing U.S. 301/Levels Road intersection; and (2) the proposed New U.S. 301 interchange at SR 1. Under the New U.S. 301 Mainline roadway construction contracts, fiber will be laid for the full length of the new roadway tying into these two intersection points. This will provide a redundant path to the Department's network with connections at each end of the highway, ensuring a reliable, high-speed connection. The integration of the new fiber with the existing network will be completed by a contractor under the direction of the Department's Office of Traffic.

Toll Infrastructure Contract: The Department will advertise a single toll infrastructure contract for all required toll gantries and toll huts. This contract will include the toll hut HVAC, generators and conduits from the huts to the gantries. Under this contract, the power and fiber will be fed into the toll huts.

Toll System Development

The Department will design and develop the toll collection system for the New U.S. 301 Project as an extension to the current professional services being provided by TransCore, as Toll Integrator under under Agreement #1601. TransCore recently completed services for expansion of the Violation Processing Center, which will accommodate violation processing and billing for the New U.S. 301

Project. The work to be completed by TransCore will include the development and installation of roadway/facility toll collection system software, using the same platform as is currently in use at existing toll plazas in Delaware. TransCore services will also include installation of computers in the toll huts and hanging of equipment on the toll gantries, procured through an E-ZPass group system-wide contract. TransCore will utilize the infrastructure provided under the roadway contracts and the toll infrastructure contract to make the final connection at the toll huts and toll gantries. Finally, TransCore will assist the Department in modifying business rules to accommodate AET.

The maintenance of the New U.S. 301 roadside system will also be provided by TransCore as an extension of the same services and responsibilities provided on I-95 and SR 1 via Agreement #1601. This approach is expected to provide a seamless transaction flow for the New U.S. 301 Project using the same systems and channels currently being used today for the Department's existing toll system. This approach will provide a single point of accountability for transactions from the point of customer travel to the receipt of revenue and provide the same high level of maintenance and service on the New U.S. 301 Mainline that is currently provided on the Department's existing facilities, for both roadside and back-office systems.

Schedule

It is expected that roadway contract 3, which includes the location of the New U.S. 301 Mainline gantries, will be completed in June 2018. The work under this contract includes the connection to the Department's fiber at the intersection of existing U.S. 301 and Levels Road. The toll infrastructure contract will also be required to complete the work in this mainline toll zone by June 2018, five months prior to the anticipated opening of the New U.S. 301 Mainline to toll revenue service. The mainline tolling point will be the hub for the New U.S. 301 Project toll system and the location where full highway speed can be achieved as required for testing. This schedule will provide for full unrestricted infrastructure for installation and testing of a new toll system at the mainline toll gantry. All toll and highway infrastructure within the ramp toll zones is expected to be completed at least 90 days prior to opening the highway to revenue service to allow installation and testing of the toll system on the ramps and end-to-end testing of the entire system.

All Electronic Tolling (AET)

The New U.S. 301 Project will include an all-electronic toll collection system providing two payment options: (1) payment by an electronic toll collection account or (2) invoicing through video tolling. All users paying by an electronic toll collection account will be required to have a prepaid account with a tolling agency that will issue an E-ZPass transponder to the customer. Tolls will be collected along the route at specific points of entry and departure, termed toll portals. At the toll portal, an overhead antenna reads the transponder ID, encrypting the number for security causing a charge to be levied to the customer's account for the toll amount. The toll portal is also the point at which cameras record images of the vehicle's license plate for video tolling and violation enforcement purposes. While the Authority has experience using video tolling for violation enforcement purposes, this is the first use of video tolling by the Authority as a primary means to collect tolls.

TransCore will be responsible for the collection, counting, handling, storage, transferring to the Authority, and verification of the disposition of all collected funds at the CSC/VPC. This includes cash payments, payments by credit card, check, or other sources associated with both New U.S. 301 accounts and collections from violations and/or fines.

Toll Rates

The Authority shall fix and prescribe toll rates for each type of vehicle, each time of day and each toll collection facility along the New U.S. 301 that are not less than the Minimum Toll Rates as set forth in the Indenture, but with such classifications as the Authority may deem appropriate, including discounts for frequent use of the toll collection facility; provided, however, the Authority may temporarily reduce, suspend or eliminate Tolls in connection with programs which it intends to use to increase Adjusted Net Revenues or in emergency situations, such as the Authority's need to ease congestion and safely move traffic resulting from any of the following (such list not intending to be all-inclusive): a natural or manmade disaster; a weather-related emergency; an evacuation of an area directly served by the roadway; an infrastructure failure (i.e., power failure to collect tolls); an emergency-related diversion of traffic onto the roadway; a military conflict; or a chemical, biological or other health-related emergency.

The Authority has statutory authority to impose and increase tolls on U.S. 301 without General Assembly approval.

Toll Violations Enforcement

Pursuant to the toll collection system, vehicle and license plate images are captured whenever a vehicle passes under a toll gantry without detecting a valid E-ZPass transponder. TransCore will be responsible for performing image reviews to identify and verify license plate numbers. Such license plates may be linked to valid E-ZPass accounts in Delaware or other states, resulting in the related transaction being posted as a toll charge to the account and no violation notice being issued. If a license plate is not linked to a valid account and it is determined that a violation has occurred, the process will follow one of two tracks.

1. If the vehicle is from Delaware, Maryland, Virginia, Pennsylvania, New Jersey, New York or Maine, TransCore will send the information to the appropriate Department of Motor Vehicles (DMV) to obtain the owner's vehicle registration information, including name and address. Under the toll operator agreement, TransCore will be responsible for mailing all violation notices for tracking violations to completion, and for all violation payment processing.

2. If the violation is from any other state, the plate images are transferred to a collection agent, Law Enforcement Services, Inc., who will research the owner information and pursue violation collection.

If the violation notices on vehicles registered in Delaware are ignored and violations payment remain uncollected for longer than the requisite 90-day notice period, the Authority has the right to place the vehicle registration on hold with the DMV or choose to engage a collection agency. If the vehicle registration is put on hold with the DMV, the owner of the vehicle must settle all outstanding amounts prior to obtaining registration renewal. Delaware has passed legislation to enter in toll violation reciprocity agreements with other states to allow similar enforcement based on the local rules in the state in which the vehicle is registered, however no such agreements have yet been executed. See "PROJECTED CASH FLOW AND DEBT SERVICE COVERAGE".

TRAFFIC AND REVENUE ESTIMATES

General

Jacobs Engineering Group Inc. ("*Jacobs*"), as traffic consultant for the New U.S. 301 Project, has prepared the Updated Toll Traffic and Revenue Study – May 2015 (the *"T&R Report"*), which together with the Supplemental Letter dated September 9, 2015 is attached hereto as APPENDIX B. The Authority has relied on the T&R Report for its projection of gross revenues generated by the New U.S. 301 Project. See "PROJECTED CASH FLOW AND DEBT SERVICE COVERAGE."

This section includes a brief summary of selected provisions of the T&R Report and is not a full statement of the contents of the T&R Report. Accordingly, the following summary is qualified in its entirety by reference to and is subject to the full text of the T&R Report. The T&R Report is expressly subject to the limitations and disclaimers set forth therein, including qualifications and assumptions made, procedures followed, matters considered and any limitation on the scope of work contained therein.

Jacobs

Jacobs has a professional staff of approximately 63,000 employees and 250 offices throughout the world and has been serving public and private clients since 1947. Jacobs has a group of over 4,900 transportation professionals of which more than 45 professionals are actively involved with toll facility clients. Jacobs' toll facility experience includes working with more than 60 clients in more than 35 states and internationally. Jacobs' investment grade traffic and revenue reports have been the basis for the sale of over $8.6 billion in revenue bonds.

Scope of T&R Report

This section summarizes the findings included in the T&R Report. The T&R Report should be read in its entirety so that the reader may fully understand the means and methods used in preparing the estimates presented in this summary. See APPENDIX B – "Updated Toll Traffic and Revenue Study – May 2015 with Supplemental Letter dated September 9, 2015."

Jacobs prepared a comprehensive traffic and revenue forecast using a corridor model approach. Survey and count data completed by others for the Department was included as source data in Jacobs' efforts along with supplemental data that Jacobs collected to meet the data needs of the study. Jacobs originally conducted the study in 2013. Over the past two years, additional traffic and socio-economic data has become available, and the planned opening date for the New U.S. 301 Project has changed. This additional data and change in opening date have been considered in the preparation of updated/revised traffic and revenue estimates.

The findings of the T&R Report characterize the corridor as a mix of local trips and long distance through trips using U.S. 301 as an alternate route to I-95 in Maryland. The average trip length is longer than for typical facilities, but is expected given the rural nature of the corridor. Middletown, Delaware is the center of commerce for a large radius attracting routine shopping, recreation, and other similar trips from surrounding areas, including Maryland. Because of this, U.S. 301 functions for a large portion of users as "main street" and is an essential part of their daily activities. The relative high average trip frequency of 1.92 trips per week supports the local nature of many of the roadway's current trips. Fifty-five percent of motorists surveyed at the state line self-identified as local trips. The "local" motorists would be both familiar with potential alternate routes and less willing to repeatedly pay for trips to the store, dry cleaners or other similar errands.

Jacobs used toll rate assumptions beginning with a 2-axle toll at the mainline toll location of $4.00 in the opening year (originally 2016), and doubling within 20 years, with increases occurring every five years. Using these assumptions results in an average annual increase of 3.5%. Tolls would then continue to increase at this rate for the following 20-year period. When the traffic and revenue projections were updated in May 2015, the toll schedule was held constant despite a change in opening date from July 2017 to January 2019.

Under AET operations, a surcharge would be added to the base toll rate for all video transactions, in an effort to balance out the cost of collection. This surcharge would be 40% for cars, and 20% for trucks. The toll increases would always take place on January 1st. Table 1 presents base toll rates at each of the toll locations. Table 2 shows sample toll rates by location and year. In general, toll increases at the mainline plaza would increase $1 to $2 every five years for passenger cars, ultimately reaching $15.80 per vehicle in 2056.

Table 1: Base Toll Rates, 2019

Axles	2	3	4	5	6
Mainline	$4.00	$9.00	$10.00	$11.00	$12.00
Levels Rd	$1.00	$8.00	$9.00	$10.00	$11.00
Summit Br	$0.75	$8.00	$9.00	$10.00	$11.00
Jamison Cnr	$0.50	$8.00	$9.00	$10.00	$11.00

Table 2: Base Toll Rates by Project Year, 2019-2056

	Mainline		Levels Rd		Summit Br		Jamison Cnr	
Year	2-axle	5-axle	2-axle	5-axle	2-axle	5-axle	2-axle	5-axle
2019	$4.00	$11.00	$1.00	$10.00	$0.75	$10.00	$0.50	$10.00
2021	$4.75	$13.05	$1.20	$11.90	$0.90	$11.90	$0.60	$11.90
2026	$5.65	$15.50	$1.45	$14.15	$1.05	$14.15	$0.70	$14.15
2031	$6.70	$18.40	$1.70	$16.80	$1.25	$16.80	$0.85	$16.80
2036	$7.95	$21.85	$2.00	$19.95	$1.50	$19.95	$1.00	$19.95
2041	$9.45	$25.95	$2.40	$23.70	$1.80	$23.70	$1.20	$23.70
2046	$11.20	$30.80	$2.85	$28.15	$2.15	$28.15	$1.45	$28.15
2051	$13.30	$36.60	$3.40	$33.45	$2.55	$33.45	$1.70	$33.45
2056	$15.80	$43.45	$4.05	$39.75	$3.05	$39.75	$2.00	$39.75

Note: Tolls increasing at a rate of 3.5% annually, effective every 5 years

Opening Date and Ramp Up

The New. U.S. 301 Mainline is expected to open fully with tolls during FY 2019, on January 1, 2019. The Authority's fiscal year runs from July 1st through June 30th.

Opening year traffic levels, and levels in the first few years after opening, are influenced by many factors, including current trip making characteristics, as well as those changes that will occur because of the presence of the new toll facility. The process of traffic reaching its full potential over a given time, without considering nominal growth, is considered "ramp-up."

The ramp-up period that Jacobs determined for the New U.S. 301 Project is two years in length, as this is functionally a bypass of an existing roadway in a setting with a large commuter base (cars). Jacobs dampened the traffic and revenues over the opening year by 15%, and the second year by 5%. Jacobs assumed the toll road traffic would ramp up to its full demand by the third year of operation, beginning mid-fiscal year 2021, with first visible in-traffic and revenue projections as reported for FY 2022. Due to the mid-fiscal year opening, three fiscal years are affected by the ramp-up period.

Estimates of Traffic and Gross Toll Revenues

Jacobs prepared estimates of toll traffic and revenue AET collection. It is estimated that toll revenues reach $22.7 million in 2022, the first year after ramp-up, and increase to $83.4 million by 2060, nearly 40 years after ramp-up is completed. Total toll transactions quickly grow to 15,900 vehicles per day with the losses attributable to toll increases roughly offsetting the background traffic increases and peaking at 17,400 daily, toll transactions in 2060.

Figure 1 shows the projected total average daily toll transactions (including the mainline and the three tolled ramps) and gross annual toll revenues for 40 years, beginning in FY 2019.

Figure 1: Estimated Annual Average Daily Traffic (Tolled Transactions) (AADT) and Gross Annual Toll Revenues, AET

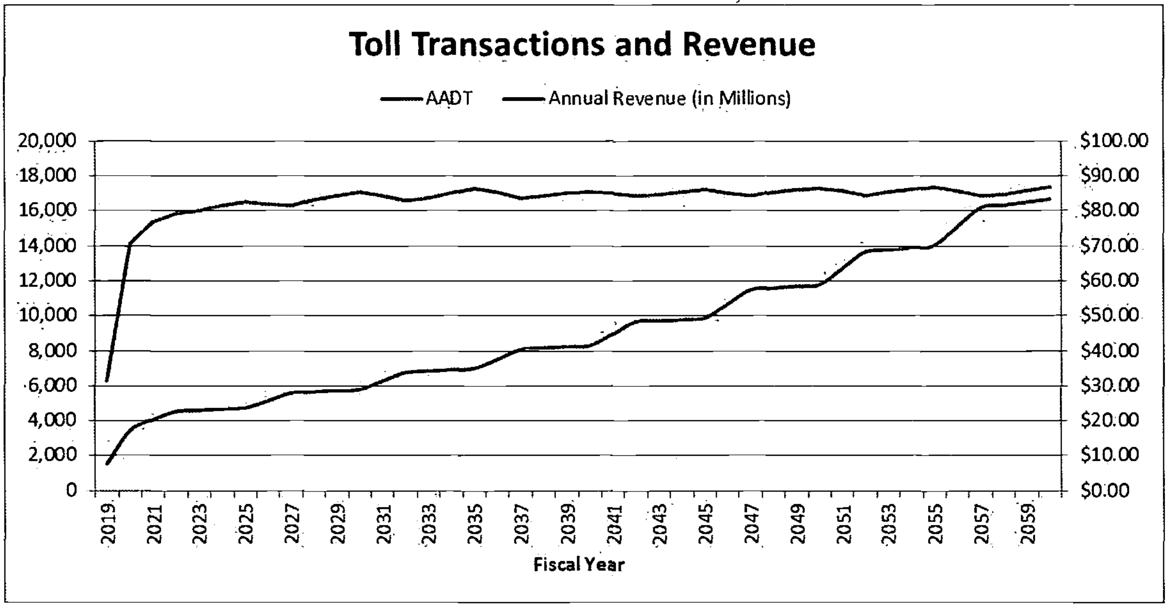

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Table 3 presents the same information in tabular form.

Table 3: Toll Traffic and Revenue Estimates, AET

Fiscal Year	AET					
	Daily Toll Transactions			Annual Revenue (Millions)		
	Car	Truck	Total	Car	Truck	Total
2019	5,200	1,200	6,300	$3.51	$4.13	$7.64
2020	11,600	2,600	14,200	$7.92	$9.25	$17.17
2021	12,600	2,800	15,400	$9.32	$11.05	$20.37
2022	12,900	3,000	15,900	$10.35	$12.38	$22.74
2023	13,200	3,000	16,100	$10.55	$12.50	$23.05
2024	13,400	3,000	16,300	$10.74	$12.66	$23.40
2025	13,500	3,000	16,500	$10.84	$12.85	$23.70
2026	13,400	3,000	16,400	$11.65	$14.06	$25.70
2027	13,300	3,000	16,300	$12.63	$15.29	$27.92
2028	13,600	3,100	16,700	$12.88	$15.52	$28.39
2029	13,800	3,100	16,900	$13.02	$15.67	$28.69
2030	14,000	3,100	17,100	$13.24	$15.78	$29.01
2031	13,800	3,100	16,900	$14.15	$17.23	$31.38
2032	13,500	3,100	16,600	$15.12	$18.69	$33.82
2033	13,700	3,100	16,800	$15.35	$18.80	$34.15
2034	13,900	3,200	17,000	$15.60	$18.99	$34.59
2035	14,100	3,200	17,300	$15.88	$19.19	$35.07
2036	13,900	3,200	17,100	$16.85	$20.80	$37.65
2037	13,700	3,100	16,800	$17.98	$22.42	$40.40
2038	13,800	3,200	16,900	$18.18	$22.62	$40.81
2039	13,800	3,200	17,000	$18.38	$22.78	$41.16
2040	14,000	3,200	17,100	$18.61	$22.85	$41.46
2041	13,900	3,200	17,000	$20.00	$24.88	$44.88
2042	13,700	3,200	16,900	$21.50	$26.92	$48.42
2043	13,800	3,200	17,000	$21.58	$27.01	$48.58
2044	13,900	3,200	17,100	$21.80	$27.14	$48.95
2045	14,000	3,200	17,200	$22.05	$27.39	$49.44
2046	13,900	3,200	17,000	$23.61	$29.76	$53.36
2047	13,700	3,200	16,900	$25.35	$32.08	$57.43
2048	13,900	3,200	17,100	$25.67	$32.35	$58.02
2049	14,000	3,300	17,200	$25.98	$32.58	$58.56
2050	14,100	3,300	17,300	$26.26	$32.68	$58.94
2051	14,000	3,200	17,200	$28.10	$35.43	$63.53
2052	13,800	3,200	16,900	$29.90	$38.35	$68.25
2053	13,800	3,200	17,100	$30.22	$38.65	$68.88
2054	14,000	3,300	17,200	$30.62	$38.85	$69.47
2055	14,100	3,300	17,400	$31.00	$39.18	$70.18
2056	14,000	3,300	17,200	$33.18	$42.45	$75.63
2057	13,700	3,200	16,900	$35.28	$45.69	$80.97
2058	13,700	3,200	17,000	$35.63	$46.02	$81.65
2059	13,900	3,300	17,200	$36.09	$46.42	$82.51
2060	14,100	3,300	17,400	$36.57	$46.79	$83.36

Fee Revenue

In the estimation of revenue generated by invoicing fees, it was assumed that the first two invoicing bills would not incur any fee. If the first two bills go unpaid, it was assumed that there would be a $25.00 fee per transaction added to the third bill. This would be upgraded to a fee of $62.50 per transaction for the fourth bill. Table 4 presents a breakdown of annual fee revenue estimates and the resulting total annual revenue estimates for AET conditions.

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Table 4: Total Annual Toll and Fee Revenue (in millions)

Fiscal Year	AET		
	Gross Toll Revenue	Fee Revenue	Total Revenue
2019	$7.64	$0.28	$7.91
2020	$17.17	$0.57	$17.74
2021	$20.37	$0.57	$20.94
2022	$22.74	$0.54	$23.28
2023	$23.05	$0.55	$23.60
2024	$23.40	$0.56	$23.96
2025	$23.70	$0.57	$24.26
2026	$25.70	$0.56	$26.27
2027	$27.92	$0.56	$28.48
2028	$28.39	$0.56	$28.95
2029	$28.69	$0.57	$29.26
2030	$29.01	$0.58	$29.59
2031	$31.38	$0.57	$31.95
2032	$33.82	$0.56	$34.37
2033	$34.15	$0.57	$34.72
2034	$34.59	$0.58	$35.17
2035	$35.07	$0.58	$35.65
2036	$37.65	$0.58	$38.22
2037	$40.40	$0.56	$40.96
2038	$40.81	$0.57	$41.37
2039	$41.16	$0.58	$41.74
2040	$41.46	$0.59	$42.05
2041	$44.88	$0.57	$45.46
2042	$48.42	$0.56	$48.98
2043	$48.58	$0.57	$49.15
2044	$48.95	$0.57	$49.52
2045	$49.44	$0.58	$50.01
2046	$53.36	$0.57	$53.93
2047	$57.43	$0.56	$57.99
2048	$58.02	$0.56	$58.58
2049	$58.56	$0.57	$59.13
2050	$58.94	$0.58	$59.52
2051	$63.53	$0.57	$64.10
2052	$68.25	$0.56	$68.80
2053	$68.88	$0.56	$69.44
2054	$69.47	$0.57	$70.04
2055	$70.18	$0.57	$70.76
2056	$75.63	$0.57	$76.20
2057	$80.97	$0.56	$81.53
2058	$81.65	$0.56	$82.21
2059	$82.51	$0.57	$83.08
2060	$83.36	$0.57	$83.93

Assumptions and Disclaimers

It is Jacobs' opinion that the traffic and toll revenue estimates provided herein and in the T&R Report represent reasonable and achievable levels of traffic and toll revenues that can be expected to accrue at the New U.S. 301 Project over the forecast period and that they have been prepared in accordance with accepted industry-wide practice. However, as should be expected with any forecast, and given the uncertainties within the current economic climate, it is important to note the following assumptions which, in Jacobs' opinion, are reasonable:

- The information provided herein and in the T&R Report presents the results of Jacobs' consideration of the information available as of the date of the T&R Report and the application of Jacobs' experience and professional judgment to that information. It is not a guarantee of any future events or trends.
- The traffic and gross toll revenue estimates will be subject to future economic and social conditions, demographic developments and regional transportation construction activities that cannot be predicted with certainty.
- The estimates contained herein and in the T&R Report, while presented with numeric specificity, are based on a number of estimates and assumptions which, though considered reasonable to Jacobs, are inherently subject to economic and competitive uncertainties and contingencies, most of which are beyond the control of any tolling authority and cannot be predicted with certainty. In many instances, a broad range of alternative assumptions could be considered reasonable. Changes in the assumptions used could result in material differences in estimated outcomes.
- Jacobs' traffic and gross toll revenue estimations only represent Jacobs' best judgment, and Jacobs does not warrant or represent that the actual gross toll revenues will not vary from such estimates.
- Jacobs does not express any opinion on the following items: socioeconomic and demographic forecasts, proposed land use development projects and potential improvements to the regional transportation network.
- The standards of operation and maintenance on all of the system will be maintained as planned within the business rules and practices.
- The general configuration and location of the system and its interchanges will remain as discussed in the T&R Report.
- Access to and from the system will remain as discussed in the T&R Report.
- No other competing highway projects, tolled or non-tolled are assumed to be constructed or significantly improved in the project corridor during the project period, except those identified within the T&R Report.
- Major highway improvements that are currently underway or fully funded will be completed as planned.
- The system will be well maintained, efficiently operated, and effectively signed to encourage maximum usage.
- No reduced growth initiatives or related controls that would significantly inhibit normal development patterns will be introduced during the estimate period.
- There will be no future serious protracted recession during the estimate period.
- There will be no protracted fuel shortage during the estimate period.
- No local, regional, or national emergency will arise that will abnormally restrict the use of motor vehicles.

In Jacobs' opinion, the assumptions underlying the study provide a reasonable basis for the analysis. However, any financial projection is subject to uncertainties. Inevitably, some assumptions used to develop the projections will not be realized, and unanticipated events and circumstances may occur. There are likely to be differences between the projections and actual results, and those differences may be material. Because of these uncertainties, Jacobs makes no guaranty or warranty with respect to the projections in the T&R Report.

The T&R Report provides that the information provided in the T&R Report, and the related opinions, analysis, evaluations, or recommendations contained therein (portions of which are summarized in the forepart of this Official Statement) are for the sole use and benefit of the Department. There are no intended third party beneficiaries, and Jacobs Engineering Group Inc. (and its affiliates) shall have no liability whatsoever to any third parties for any defect, deficiency, error, omission in any statement contained in or in any way related to the T&R Report or the services provided.

ESTIMATED SOURCES AND USES OF BOND PROCEEDS

The estimated sources and uses of the proceeds of the 2015 Bonds are as follows:

Sources:		
Principal Amount of 2015 Bonds		$212,535,000.00
Plus Net Original Issue Premium		21,779,846.20
	Total Sources of Funds:	$234,314,846.20
Uses:		
Deposit to Construction Fund		$180,338,309.67
Deposit to Capitalized Interest Account[(1)] of Construction Fund		35,328,647.40
Deposit to Bond Proceeds Funded Account of Reserve Fund		16,821,186.03
Deposit to Costs of Issuance Account[(2)]		1,346,398.39
Underwriters' Discount		480,304.71
	Total Uses of Funds:	$234,314,846.20

(1) Amount deposited is sufficient to pay interest on the 2015 Bonds through and including June 1, 2019.
(2) Includes costs of issuance of the 2015 Bonds.

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DEBT SERVICE REQUIREMENTS

The following table is the annualized debt service schedule for the 2015 Bonds assuming no redemption other than mandatory sinking fund redemption.

Annual Bond Debt Service Requirements

2015 Bonds

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service	Capitalized Interest Fund	Net Debt Service
2016		$ 4,682,109.90	$ 4,682,109.90	$ 4,682,109.90	
2017		10,215,512.50	10,215,512.50	10,215,512.50	
2018		10,215,512.50	10,215,512.50	10,215,512.50	
2019		10,215,512.50	10,215,512.50	10,215,512.50	
2020		10,215,512.50	10,215,512.50		$ 10,215,512.50
2021	$ 3,220,000.00	10,215,512.50	13,435,512.50		13,435,512.50
2022	5,225,000.00	10,054,512.50	15,279,512.50		15,279,512.50
2023	5,675,000.00	9,793,262.50	15,468,262.50		15,468,262.50
2024		9,509,512.50	9,509,512.50		9,509,512.50
2025		9,509,512.50	9,509,512.50		9,509,512.50
2026		9,509,512.50	9,509,512.50		9,509,512.50
2027		9,509,512.50	9,509,512.50		9,509,512.50
2028		9,509,512.50	9,509,512.50		9,509,512.50
2029		9,509,512.50	9,509,512.50		9,509,512.50
2030		9,509,512.50	9,509,512.50		9,509,512.50
2031		9,509,512.50	9,509,512.50		9,509,512.50
2032	1,285,000.00	9,509,512.50	10,794,512.50		10,794,512.50
2033	1,450,000.00	9,467,750.00	10,917,750.00		10,917,750.00
2034	2,450,000.00	9,418,812.50	11,868,812.50		11,868,812.50
2035	3,200,000.00	9,333,062.50	12,533,062.50		12,533,062.50
2036	3,500,000.00	9,221,062.50	12,721,062.50		12,721,062.50
2037	4,000,000.00	9,098,562.50	13,098,562.50		13,098,562.50
2038	2,250,000.00	8,958,562.50	11,208,562.50		11,208,562.50
2039	3,395,000.00	8,877,000.00	12,272,000.00		12,272,000.00
2040	3,660,000.00	8,707,250.00	12,367,250.00		12,367,250.00
2041	4,835,000.00	8,530,750.00	13,365,750.00		13,365,750.00
2042	6,090,000.00	8,311,200.00	14,401,200.00		14,401,200.00
2043	6,420,000.00	8,031,950.00	14,451,950.00		14,451,950.00
2044	6,825,000.00	7,737,300.00	14,562,300.00		14,562,300.00
2045	7,280,000.00	7,423,700.00	14,703,700.00		14,703,700.00
2046	8,770,000.00	7,088,750.00	15,858,750.00		15,858,750.00
2047	10,400,000.00	6,650,250.00	17,050,250.00		17,050,250.00
2048	11,095,000.00	6,130,250.00	17,225,250.00		17,225,250.00
2049	11,810,000.00	5,575,500.00	17,385,500.00		17,385,500.00
2050	12,515,000.00	4,985,000.00	17,500,000.00		17,500,000.00
2051	14,490,000.00	4,359,250.00	18,849,250.00		18,849,250.00
2052	16,595,000.00	3,634,750.00	20,229,750.00		20,229,750.00
2053	17,615,000.00	2,805,000.00	20,420,000.00		20,420,000.00
2054	18,670,000.00	1,924,250.00	20,594,250.00		20,594,250.00
2055	19,815,000.00	990,750.00	20,805,750.00		20,805,750.00
Total	$212,535,000.00	$318,453,772.40	$530,988,772.40	$35,328,647.40	$495,660,125.00

PROJECTED CASH FLOW AND DEBT SERVICE COVERAGE

The table on the following page presents, for the years ending June 30, 2019 through June 30, 2055, both inclusive, the Revenues for usage of the New U.S. 301 Mainline as estimated by Jacobs and the Operation and Maintenance Expenses as estimated by the Authority, the Department, RK&K and the IBI Group, as well as estimated debt service and debt service coverage ratios for the 2015 Bonds and the TIFIA Series 2015 Bond. See APPENDIX B – "Updated Toll Traffic and Revenue Study – May 2015 with Supplemental Letter dated September 9, 2015." Actual operating results achieved during the projection period may vary from those presented below and such variations may be material.

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Projected Cash Flow of Revenues and Debt Service Coverage for 2015 Bonds and TIFIA Series 2015 Bond

U.S. 301 Project Revenue Bonds																Transportation Trust Fund	
	(A)	(B)	(C) = (A/B)	(D)	(E) = (A)/(B+D)	(F)	(G)	(H)=(A-F+G)/(B+D)	(I)	(J)=(A+G)-(B+D+F+I)	(K)=Prior (K) + Current (J)	(L) = Prior (K) + Current (J) - Current (K)	(M) = 50% of (L)	(N)	(O) = 50% of (L)	(P)	(Q) = (A+G+P)/(B+D)
FYE (6/30)	301 Toll & Violation Revenue	2015 Bonds Debt Service	2015 Bonds Debt Service Coverage	Mandatory TIFIA Series 2015 Bond Debt Service Payments	2015 Bonds + TIFIA Series 2015 Bond Debt Service Coverage	O & M	DSRF Earnings/ Release	Total Operating Coverage	Capital Expenditures	Excess Toll & Violation Revenue	Toll Stabilization Fund Balance	Residual Available To Pay Down TIFIA Series 2015 Bond	50% of Residual Allocated to TIFIA Series 2015 Bond Debt Service - Voluntary Payment	New TIFIA Series 2015 Bond Balance Amortization	50% of Residual Allocated to Transportation Trust Fund	Net TTF Revenue	2015 Bonds + TIFIA Series 2015 Bond Debt Service Coverage (TTF Revenue)
2019	7,910,000	-	-	-	-	1,543,000	-	-	51,000	6,316,000	6,316,000	-	-	217,790,747	-	362,181,634	-
2020	17,740,000	10,215,513	1.74x	-	1.74x	3,236,000	84,106	1.43x	51,000	4,321,593	10,637,593	-	-	224,249,757	-	365,799,743	37.55x
2021	20,940,000	13,435,513	1.56x	-	1.56x	3,420,000	84,106	1.31x	51,000	4,117,593	14,755,187	-	-	230,881,994	-	376,730,250	29.60x
2022	23,280,000	15,279,513	1.52x	-	1.52x	3,520,000	84,106	1.30x	51,000	4,513,593	19,268,780	-	-	237,719,815	-	389,110,777	27.00x
2023	23,600,000	15,468,263	1.53x	-	1.53x	3,610,000	84,106	1.30x	51,000	4,554,843	23,823,624	-	-	244,760,146	-	399,356,650	27.35x
2024	23,960,000	9,509,513	2.52x	7,205,806	1.43x	3,703,000	84,106	1.22x	65,000	3,560,788	27,384,411	-	-	244,760,146	-	410,915,638	26.02x
2025	24,260,000	9,509,513	2.55x	7,186,091	1.45x	3,792,000	84,106	1.23x	65,000	3,791,503	31,175,914	-	-	244,760,146	-	421,944,243	26.73x
2026	26,270,000	9,509,513	2.76x	7,195,948	1.57x	3,881,000	84,106	1.35x	65,000	5,702,645	35,000,000	1,878,559	939,280	243,820,867	939,280	434,714,557	27.60x
2027	28,480,000	9,509,513	2.99x	7,195,948	1.70x	4,032,000	84,106	1.47x	65,000	7,761,645	35,000,000	7,761,645	3,880,823	239,912,227	3,880,823	451,831,002	28.76x
2028	28,950,000	9,509,513	3.04x	8,005,225	1.65x	4,140,000	84,106	1.42x	65,000	7,314,368	35,000,000	7,314,368	3,657,184	235,311,849	3,657,184	466,207,401	28.28x
2029	29,260,000	9,509,513	3.08x	8,101,873	1.66x	4,237,000	84,106	1.43x	356,000	7,139,721	35,000,000	7,139,721	3,569,860	230,546,943	3,569,860	471,115,358	28.42x
2030	29,590,000	9,509,513	3.11x	8,245,554	1.67x	4,341,000	84,106	1.43x	356,000	7,222,040	35,000,000	7,222,040	3,611,020	225,465,754	3,611,020	479,494,284	28.68x
2031	31,950,000	9,509,513	3.36x	9,576,242	1.67x	4,438,000	84,106	1.45x	356,000	8,154,352	35,000,000	8,154,352	4,077,176	218,437,474	4,077,176	502,431,754	28.00x
2032	34,370,000	10,794,513	3.18x	10,067,031	1.65x	4,536,000	84,106	1.43x	356,000	8,700,562	35,000,000	8,700,562	4,350,281	210,446,466	4,350,281	514,733,474	26.33x
2033	34,720,000	10,917,750	3.18x	10,098,823	1.65x	4,636,000	84,106	1.44x	356,000	8,795,533	35,000,000	8,795,533	4,397,766	202,122,926	4,397,766	519,654,589	26.38x
2034	35,170,000	11,868,813	2.96x	9,626,658	1.64x	4,758,000	84,106	1.42x	356,000	8,644,635	35,000,000	8,644,635	4,322,318	194,109,631	4,322,318	524,614,266	26.05x
2035	35,650,000	12,533,063	2.84x	9,298,770	1.63x	4,979,000	84,106	1.41x	356,000	8,567,274	35,000,000	8,567,274	4,283,637	186,226,181	4,283,637	529,612,569	25.90x
2036	38,220,000	12,721,063	3.00x	10,631,190	1.64x	5,120,000	84,106	1.42x	356,000	9,475,853	35,000,000	9,475,853	4,737,927	176,330,563	4,737,927	534,649,557	24.54x
2037	40,960,000	13,098,563	3.13x	11,876,771	1.64x	5,258,000	84,106	1.43x	356,000	10,454,772	35,000,000	10,454,772	5,227,386	164,393,134	5,227,386	539,725,277	23.25x
2038	41,370,000	11,208,563	3.69x	13,386,044	1.68x	5,403,000	84,106	1.47x	356,000	11,100,500	35,000,000	11,100,500	5,550,250	150,278,247	5,550,250	551,276,767	24.10x
2039	41,740,000	12,272,000	3.40x	12,752,253	1.67x	5,553,000	84,106	1.45x	2,427,000	8,819,853	35,000,000	8,819,853	4,409,927	137,520,950	4,409,927	556,430,055	23.91x
2040	42,050,000	12,367,250	3.40x	12,802,075	1.67x	5,706,000	84,106	1.45x	2,427,000	8,831,781	35,000,000	8,831,781	4,415,890	124,336,953	4,415,890	568,059,159	24.24x
2041	45,460,000	13,365,750	3.40x	13,977,658	1.66x	5,892,000	84,106	1.45x	2,427,000	9,881,698	35,000,000	9,881,698	4,940,849	109,052,954	4,940,849	573,290,086	22.63x
2042	48,980,000	14,401,200	3.40x	15,220,833	1.65x	6,084,000	84,106	1.45x	2,427,000	10,931,073	35,000,000	10,931,073	5,465,537	91,555,166	5,465,537	578,559,829	21.19x
2043	49,150,000	14,451,950	3.40x	15,131,680	1.66x	6,332,000	84,106	1.45x	2,427,000	10,891,476	35,000,000	10,891,476	5,445,738	73,650,192	5,445,738	583,868,374	21.40x
2044	49,520,000	14,562,300	3.40x	15,191,952	1.66x	6,502,000	84,106	1.45x	2,427,000	10,920,854	35,000,000	10,920,854	5,460,427	55,145,012	5,460,427	589,215,691	21.47x
2045	50,010,000	14,703,700	3.40x	15,255,817	1.67x	6,681,000	84,106	1.45x	2,427,000	11,026,589	35,000,000	11,026,589	5,513,295	35,972,176	5,513,295	594,601,738	21.52x
2046	53,930,000	15,858,750	3.40x	16,639,310	1.66x	6,890,000	84,106	1.45x	2,427,000	12,199,046	35,000,000	12,199,046	6,099,523	14,266,230	6,099,523	600,026,460	20.13x
2047	57,990,000	17,050,250	3.40x	18,061,238	1.65x	7,111,000	84,106	1.45x	2,427,000	13,424,617	35,000,000	13,424,617	-	-	13,424,617	605,489,788	18.90x
2048	58,580,000	17,225,250	3.40x	18,178,696	1.65x	7,317,000	84,106	1.45x	2,427,000	13,516,160	35,000,000	13,516,160	-	-	13,516,160	610,991,640	18.91x
2049	59,130,000	17,385,500	3.40x	18,257,099	1.66x	7,519,000	84,106	1.45x	2,427,000	13,625,507	35,000,000	13,625,507	-	-	13,625,507	616,531,916	18.96x
2050	59,520,000	17,500,000	3.40x	18,290,294	1.66x	7,723,000	84,106	1.45x	2,427,000	13,663,812	35,000,000	13,663,812	-	-	13,663,812	622,110,504	19.05x
2051	64,100,000	18,849,250	3.40x	19,829,467	1.66x	8,081,000	84,106	1.45x	2,427,000	14,997,388	35,000,000	14,997,388	-	-	14,997,388	627,727,274	17.89x
2052	68,800,000	20,229,750	3.40x	21,495,906	1.65x	8,322,000	84,106	1.45x	2,427,000	16,409,450	35,000,000	16,409,450	-	-	16,409,450	633,382,078	16.83x
2053	69,440,000	20,420,000	3.40x	21,908,350	1.64x	8,549,000	84,106	1.44x	2,427,000	16,219,756	35,000,000	16,219,756	-	-	16,219,756	639,074,754	16.74x
2054	70,040,000	20,594,250	3.40x	21,381,040	1.67x	8,790,000	84,106	1.46x	2,427,000	16,931,816	35,000,000	16,931,816	-	-	16,931,816	644,805,121	17.03x
2055	70,760,000	20,805,750	3.40x	-	3.40x	9,045,000	16,905,292	3.78x	2,427,000	55,387,542	35,000,000	55,387,542	-	-	55,387,542	650,572,976	35.48x
Total/Average	1,535,850,000	495,660,125	3.04x	412,071,643	1.68x	204,680,000	19,849,000	1.48x	45,399,000	397,888,232		362,888,232	94,356,092		268,532,140	19,540,837,234	24.36x

Footnotes:

(A) - Opening year for Route 301 Mainline is January 2019; Revenue projections provided by the Department and Jacobs; see APPENDIX B - "UPDATED TOLL TRAFFIC AND REVENUE STUDY - MAY 2015 WITH SUPPLEMENTAL LETTER DATED SEPTEMBER 9, 2015" herein.

(B) - Interest on 2015 Bonds is capitalized through 6/1/2019. First Interest Payment is 12/1/2019. Capitalized interest fund is assumed to earn interest at 0.25% per annum and is gross funded.

(D) - Assumes the full draw of $211,235,000; interest on the TIFIA Series 2015 Bond accretes through FY 2023.

(F) - Operations & Maintenance: Estimates provided by the Department, RK&K and IBI Group; assumes an average annual increase of 3%.

(G) - Debt Service Reserve Fund (DSRF) sized at the Reserve Fund Requirement under the Indenture. DSRF is assumed to earn interest at 0.50% per annum.

(I) - Capital Expenditures: Estimates provided by the Department, RK&K and IBI Group.

(K) - Toll Stabilization Fund balance needs to reach $35 million before any funds are allocated to voluntary payments.

(P) - Represents pledged TTF revenue net of Delaware Turnpike operating expenses; pledged TTF revenue and Delaware Turnpike operating expense projections provided by the Department; pledged TTF revenues are based upon DEFAC estimates through Fiscal Year 2022 based on DEFAC's September 21, 2015 meeting and then assumes an annual growth rate of 1% thereafter (based on aggregating various DEFAC growth rates by source of revenue); Delaware Turnpike operating expenses assumes an annual growth rate of 3%; includes existing senior lien debt service under the 1988 Agreement; assumes a $75 million issuance in FY 2017 & $75 million issuance in FY 2019.

RISK FACTORS

The following is a discussion of certain risk factors that should be considered in evaluating an investment in the 2015 Bonds. 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 2015 Bonds in addition to those set forth herein.

Limited Obligations

The 2015 Bonds are limited obligations of the Authority payable solely from, and secured in the first instance by a lien on and pledge of the Pledged Funds. The 2015 Bonds are also secured by a subordinate lien on the Pledged TTF Revenues of the Authority on a subordinated basis to senior bonds and junior bonds issued under the Authority's 1988 Trust Agreement and on a parity basis with other subordinated indebtedness issued pursuant to the 1988 Trust Agreement. The Authority expects Revenues to be generated only after substantial completion of the New U.S. 301 Project, which is expected to occur in December 2018.

Other than the pledge of the Pledged Funds and Pledged TTF Revenues, the Authority has not mortgaged, assigned or pledged any interest in any real or personal property or improvements, including any interest in the New U.S. 301 Project or any expansions or extensions thereto, as security for payment of the 2015 Bonds.

Rate Covenant Not a Guarantee

The ability of the Authority to pay the debt service with respect to the 2015 Bonds depends on the ability of the Authority to generate Revenues at the levels required by the Indenture, which in turn depends on the successful completion of the New U.S. 301 Project and use of the New U.S. 301 by a sufficient number of toll-paying vehicles. Although the Authority has covenanted in the Indenture to establish toll rates at specified levels as more particularly described herein, and expects that sufficient Revenues will be generated through the imposition and collection of such tolls, the Authority's covenant does not constitute a guarantee that sufficient Net Revenues will be available to pay debt service with respect to the 2015 Bonds.

If Pledged Funds are not sufficient to pay the debt service on the 2015 Bonds, such payments would have to be made from Pledged TTF Revenues. **NO ASSURANCE CAN BE GIVEN THAT PLEDGED TTF REVENUES WOULD BE AVAILABLE IN SUFFICIENT AMOUNTS TO MAKE THOSE PAYMENTS OR THAT PLEDGED TTF REVENUES WILL BE AVAILABLE IN AMOUNTS SIMILAR TO HISTORICAL RESULTS.**

Limited Remedies Under the Indenture

The remedies available to owners of the 2015 Bonds upon an Event of Default under the Indenture are limited to the seeking of specific performance or a writ of mandamus or other suit, action or proceeding compelling and requiring the Authority and its officers to observe and perform any covenant, condition or obligation prescribed in the Indenture. **NO ACCELERATION REMEDY IS AVAILABLE TO OWNERS OF THE 2015 BONDS.** Therefore, owners of the 2015 Bonds will be able to collect principal and interest that become due after an Event of Default only from the Pledged Funds included in the pledge under the Indenture and Pledged TTF Revenues on a subordinated basis under the 1988 Trust Agreement and only when such principal and interest is scheduled to be paid. The remedies available under the Indenture depend in many respects upon regulatory and judicial actions that are often subject to discretion and delay. Under existing law, such remedies may not be readily available. In addition, enforcement of such remedies (i) may be subject to general principles of equity which may permit the exercise of judicial discretion, (ii) are subject to the exercise in the future by the State and its agencies and political subdivisions of the police power inherent in the sovereignty of the State, (iii) are subject, in part, to the provisions of the United States Bankruptcy Code and other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, and (iv) are subject to the exercise by the United States of the powers delegated to it by the federal Constitution. The various legal opinions to be delivered concurrently with the delivery of the 2015 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the 2015 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.

Costs of Construction of New U.S. 301 Project

In projects of the magnitude of the New U.S. 301 Project developed, operated and improved by the Authority, there is a possibility of time delays and cost increases resulting from (i) design and construction problems and resulting change orders, (ii) environmental litigation or environmental administrative matters, (iii) the unavailability or cost of acquiring rights-of-way, (iv) archeological, historic and unidentified subsurface conditions, (v) utility relocation problems, (vi) hazardous materials, (vii) force majeure events, (viii) litigation or (ix) inflation. As a result, there can be no assurance that the costs of completion for the New U.S. 301 Project will not exceed current estimates, or that the completion of the New U.S. 301 Project will not be delayed beyond the scheduled completion date. Variations in cost estimates and delays in construction could be material.

See "LITIGATION" herein for a discussion of recent correspondence between a Delaware builders trade association and the Department concerning objections to the State's Apprenticeship Program (as defined herein) as a mandatory requirement for bidding on the New U.S. 301 Project.

There is also a possibility of insolvency or bankruptcy of the contractors during construction. While the contractors are and will be required to provide performance bonds and payment bonds, there can be no assurance that such bonds will be sufficient to assure timely completion of the New U.S. 301 Project. Moreover, if a default occurs under a construction contract by the contractor, there is a possibility of litigation between the Authority and the providers of the performance bonds and payment bonds and/or the contractor, which could further delay construction and the opening of the New U.S. 301 Project. Any such delays and/or cost overruns could result in the delay or reduction in the collection of Revenues and an increase in costs, thereby making it more difficult for the Authority to generate sufficient Revenues to pay principal of and interest on the 2015 Bonds and any other Parity Obligations under the Indenture.

Failure to Enter Into or Extend Remaining Project Agreements. Certain agreements relating to the construction and operation of the New U.S. 301 Project have not been finalized and need to be negotiated, executed and delivered by various parties. The failure to enter into or extend such agreements in a timely manner could delay or prevent substantial completion of the New U.S. 301 Project and could have a material adverse effect on the generation of Revenues.

Failure to Obtain Necessary Right-of-Way. The acquisition of all right-of-way property necessary to allow construction of the New U.S. 301 Project is the Authority's responsibility. The process of acquiring right-of-way property is subject to inherent risks, including (i) the risk that the actual costs of acquiring such property will exceed the estimated costs and (ii) the risk of delays, which could be substantial, in obtaining access to right-of-way property so as to permit construction to commence and continue on schedule. There can be no assurances that the Authority can acquire all necessary right-of-way property in a timely manner to allow for the completion of the New U.S. 301 Project on schedule. Any delay in substantial completion of the New U.S. 301 Project could have a material adverse effect on the amount of Revenue generated to pay debt service with respect to the 2015 Bonds.

Completion Bonds

No assurances can be given that the Authority will be able to issue additional Bonds or Subordinated Indebtedness to finance cost overruns of the New U.S. 301 Project. Any such issuance would be subject to the requirements set forth in the Indenture and the consent of the TIFIA Lender if the aggregate principal amount of such Completion Bonds (excluding Subordinated Indebtedness and TIFIA Indebtedness not subject to a springing lien) exceeds 10% of the maximum principal amount of the 2015 Bonds issued to pay Costs of the portion of the New U.S. 301 Project to be completed using the proceeds of such Completion Bonds. The Authority's inability to issue such additional Bonds or Subordinated Indebtedness in the event available funding sources are insufficient could have a material adverse effect on the ability of the Authority to complete the construction of the New U.S. 301 Project.

Less Than Projected Use of the New U.S. 301 Project

The revenue forecasts in the T&R Report are based upon certain assumptions described in such reports and upon certain additional assumptions described therein. See "APPENDIX B – "Updated Toll Traffic and Revenue Study – May 2015 with Supplemental Letter dated September 9, 2015." Based upon such assumptions, Jacobs has expressed its opinion that such revenue forecasts are reasonable and have been prepared in accordance with accepted practice for such studies. As provided in therein, however, such reports are 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, any of the estimates and assumptions in such reports 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 described above may have a material adverse effect upon the amount of Revenues actually generated.

Ability to Maintain or Raise Rates

The Authority may need to raise toll rates in the future above the anticipated scheduled toll rate increases under the current toll rate schedule to support its debt service requirements. Although the T&R Report suggests there is an ability to raise rates further, the effect of any future rate increase is unknown. It is possible that a future increase in rates could result in reduced usage of the New U.S. 301 Project, resulting in decreased Revenues. Additionally, political pressure could result in hesitance by the Authority to raise rates further if needed. See "Traffic Model – Toll Schedule" in APPENDIX B for a discussion of anticipated increases in toll rates pursuant to the existing New U.S. 301 Project toll rate schedule.

Operating Risks

When completed, the New U.S. 301 Project will be a new toll facility having no independent operating history. Accordingly, the ability of the New U.S. 301 Project to generate Revenues in amounts sufficient to pay debt service on the 2015 Bonds issued under the Indenture when due, will be subject to the risks inherent in the establishment of any new toll facility. The ability to repay such obligations will be dependent, in part, on the volume of traffic that utilizes the New U.S. 301 Project and the ability of the Authority and the toll facilities to accurately process data. Revenues to be generated through such use will be influenced by numerous factors, including, among other things, the ability to manage toll evasion;

the ability to control expenses; population, employment and income trends within the region; the congestion on alternative freeways, highways, and streets; time savings experienced by motorists utilizing the toll facilities; the toll rates; the availability and price of fuel; and the construction of new or improved competitive roadways or transit facilities.

Higher Than Projected Maintenance Costs

Successful operation of the New U.S. 301 Project will require timely and complete maintenance and replacement of components of the New U.S. 301 Project. No assurance can be given that sufficient funds will be available to maintain the New U.S. 301 Project adequately over the long term. Any significant deterioration in the New U.S. 301 Project may result in increased operating costs and in reduced usage, as well as temporary lane closures, and could adversely affect the amount of funds available to pay debt service on the Authority's obligations.

Motor Fuel Prices and Taxes

There is no assurance that motor fuel will remain in adequate supply or that motor fuel prices and federal and State motor fuel taxes will not increase. Increases in motor fuel pump prices could negatively impact the Revenues of the Authority. Additionally, if motor fuel prices increase, it could have a material adverse effect on the economy of the region and the Revenues of the Authority.

Nonperformance of New U.S. 301 Project Participants

Failure of major participants in the New U.S. 301 Project (including the TIFIA Lender, the Authority, the Department or various contractors) to meet their obligations under the various agreements relating to the New U.S. 301 Project, or the bankruptcy or insolvency of any of such major participants (to the extent they are eligible for bankruptcy relief), could have a material adverse effect on the ability of the Authority to complete construction of the New U.S. 301 Project in a timely manner or to operate the New U.S. 301 Project.

Dilution of Senior Lien Security Upon Bankruptcy-Related Event; No Cross Defaults

The Authority has applied for a TIFIA loan the proceeds of which are expected to be used to finance a portion of the construction of the New U.S. 301 Project. Should the Authority obtain such TIFIA loan, the Authority currently expects to issue and secure the TIFIA loan as Subordinated Indebtedness under the Indenture. See "INTRODUCTION – Plan of Finance – *TIFIA Indebtedness*." There are no assurances that the Authority will be able to obtain such loan, but in such event and upon the occurrence and during the continuance of any Bankruptcy-Related Event of the Authority and while USDOT owns the TIFIA Series 2015 Bond, such TIFIA Series 2015 Bond will be secured by and payable from the Pledged Funds on a parity with the 2015 Bonds and shall be secured on a pro rata basis with the Bond Owners by all amounts on deposit in the Revenue Funded Account of the Reserve Fund; provided, however, funds held in the Bond Proceeds Funded Account within the Reserve Fund shall secure only the 2015 Bonds. Notwithstanding the prior sentence, the owners of the TIFIA Series 2015 Bond (and other TIFIA Indebtedness) shall, at all times, be deemed a Bond Owner for purposes of directing remedies upon an Event of Default under the Indenture. Upon the occurrence of any Event of Default under the Indenture, the Trustee shall take action to enforce the remedies described in the Indenture upon the written direction of the Owners of not less than a majority of the aggregate of Principal Obligation of the Bonds and TIFIA Indebtedness then Outstanding. Thus, the TIFIA Lender, as the expected holder of greater than a majority in aggregate Principal Obligation of the Bonds and TIFIA Indebtedness then Outstanding under the Indenture, would be able to direct remedies under the Indenture without the consent of the owners of the 2015 Bonds. In addition, so long as the owners of the 2015 Bonds do not constitute a majority of the aggregate of Principal Obligation of the Bonds and TIFIA Indebtedness then Outstanding, the owners of the 2015 Bonds will be unable to direct remedies under the Indenture upon the occurrence of an Event of Default.

The term "Bankruptcy-Related Event" includes the Authority becoming unable to pay its debts generally as they become due. Thus, it is not necessary for the Authority to file as a debtor under Chapter 9 of the U.S. Bankruptcy Code in order for a Bankruptcy-Related Event to occur. Moreover the Authority's ability to pay its debts generally as they become due is not always subject to precise determination. Any failure of the Authority to pay its obligations under a TIFIA loan in a timely manner may provide the TIFIA lender with the opportunity to claim that a Bankruptcy-Related Event has occurred.

An Event of Default under the Indenture shall not constitute an event of default under the 1988 Trust Agreement. An event of default under the 1988 Trust Agreement shall not constitute an Event of Default under the Indenture. Furthermore, the 1988 Trust Agreement provides that it is the intent of the Authority than an event of default with respect to Subordinate Indebtedness under the 1988 Trust Agreement shall not in itself create the right to declare an event of default with respect to any Senior Bonds or Junior Bonds and no provision of the 1988 Trust Agreement shall be construed to allow such result.

Dilution of Pledged TTF Revenues

The 1988 Trust Agreement permits the Authority, subject to certain conditions, to issue from time to time, additional senior revenue bonds, junior revenue bonds and subordinated indebtedness as described in "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE 1988 TRUST AGREEMENT." In addition, under certain conditions, the debt service reserve fund and operating reserve fund requirements under the 1988 Trust Agreement may be increased. Such additional senior revenue bonds, junior revenue bonds or subordinated indebtedness and any increases in debt service reserve fund or operating reserve fund requirements may impact the amount of Pledged TTF Revenues that are available to pay debt service on the 2015 Bonds. See "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE 1988 TRUST AGREEMENT."

Changes in Law

The financing, design, construction and operation of the New U.S. 301 Project are subject to various laws, regulations and policies, including, among others, laws governing environmental protections and tax regulations. To the extent that the Authority or any other parties that are involved with the Project are required to expend additional funds not budgeted in order to be in compliance with new or amended laws, regulations or policies, such unanticipated expenditures could have a negative impact on the Revenues generated by the New U.S. 301 Project. Furthermore, to the extent that the Authority or any other parties that are involved with the New U.S. 301 Project require additional time in order to be in compliance with any new or amended laws, regulations or policies, and as a result substantial completion of the New U.S. 301 Project is delayed, the Authority may suffer a delay in the commencement of Revenues generation. Laws, regulations and policies governing, among other things, air pollution, noise abatement and control, hazardous waste, solid waste, water quality and endangered species may become more stringent in the future, possibly requiring additional compliance efforts and having a material adverse effect on the design, construction and operation of the New U.S. 301 Project.

Additionally, political pressure or legislative action could affect the ability of the Authority or the U.S. Department of Transportation to budget for or tax or spend in respect of toll roads and other highway and transportation projects, or shift the focus of government spending to other modes of transportation, resulting in decreased use of the New U.S. 301 Project.

Technological and Societal Changes

Neither the Authority nor Jacobs can predict the technological and societal changes that may affect the use of the New U.S. 301 Project during the period that the 2015 Bonds remain Outstanding. Societal changes may include, for example, the increased use of telecommuting. Higher levels of telecommuting could have an adverse impact on usage of the New U.S. 301 Project. Technological advancements may include broadening the use of electric vehicles which, together with more stringent air quality standards, could change the characteristics of vehicles on the road. The development of new types of switchable transponders and other technological advances may significantly change the way Revenues are collected. Other technologies or societal changes could have a similar detrimental effect on the New U.S. 301 Project and the generation of Revenues.

Cyber-Attack Security

Computer hacking, cyber-attacks or other malicious activities could disrupt the Authority's services. Further, security breaches such as leakage, or loss of confidential or proprietary data and failure or disruption of information technology systems could materially and adversely affect the Authority's reputation, which could lead to significant capital outlays and decreased performance that insurance may not cover. To mitigate these risks, the Authority has increased its threat monitoring and security measures. The Authority does not believe it has experienced any cyber security breaches.

Market Liquidity Risks

Two credit rating agencies have been engaged to assign credit ratings to the 2015 Bonds. A rating is not a recommendation to purchase, hold or sell the 2015 Bonds, and does not address the market price or suitability of the 2015 Bonds for a particular investor. A rating on the 2015 Bonds may not remain for any given period of time and may be lowered or withdrawn depending on, among other things, each rating agency's assessment of the credit strength of the Pledged Funds and Pledged TTF Revenues.

The Authority has been informed by the Underwriters that they intend to make a market in the 2015 Bonds after the completion of this offering; however, the Underwriters are not required to make a market in the 2015 Bonds, and they may cease market-making at any time without notice. The Authority cannot assure potential investors that an active market for the 2015 Bonds will develop. Even if a market for the 2015 Bonds does develop, depending on prevailing interest rates and market conditions generally, the 2015 Bonds could trade at a discount from their initial offering price. Holders of the 2015 Bonds may not be able to sell their 2015 Bonds in the future or such sale may not be at a price equal to or greater than the initial offering price of the 2015 Bonds. As a result, holders of the 2015 Bonds may not be able to liquidate their investment quickly or to liquidate it at an attractive price or at all.

Other Factors

Additional factors which may affect the financial condition of the Authority and the future operation of the New U.S. 301 Project include the following:

- Increased and/or unanticipated costs of operating the New U.S. 301 Project;
- Work stoppage, slowdown or action by Department and Authority employees and contractors;
- More and expanded mass transit systems;
- Natural disasters;

• Complete or partial destruction or temporary closure of the New U.S. 301 Project for extended periods of time;
• Decreased toll revenues due to decline in traffic; and
• Increases in fixed costs.

Forward-Looking Statements

This Official Statement and Appendices hereto contain "forward-looking statements," which generally can be identified with words or phrases such as "anticipates," believes," "could," "estimates," "expects," "foresees," "may," "plan," "predict," "should," "will" or other words or phrases of similar import. All statements included in this Official Statement and Appendices hereto that any person expects or anticipates will, should or may occur in the future, including but not limited to, the projections in the T&R Report, are forward-looking statements. These statements are based on assumptions and analysis made by the Authority and Jacobs, as applicable, in light of their experience and perception of historical trends, current conditions and expected future developments as well as other factors they believe are appropriate in the circumstances. However, whether actual results and developments will conform with expectations and predictions is subject to a number of risks and uncertainties, including, without limitation, the information discussed under this "RISK FACTORS" caption of this Official Statement as well as additional factors beyond the Authority's control. The important risk factors and assumptions described under that caption and elsewhere in this Official Statement could cause actual results to differ materially from those expressed in any forward-looking statement. All of the forward-looking statements made in this Official Statement and any Appendices hereto are qualified by these cautionary statements. There can be no assurance that the actual results or developments anticipated will be realized or, even if substantially realized, that they will have the expected consequences to or effects on the Authority's revenues or operations. All subsequent forward-looking statements attributable to the Authority or persons acting on their behalf are expressly qualified in their entirety by the factors and assumptions described above and in any documents containing those forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Authority and the other aforementioned entities on the date hereof, and neither the Authority nor any of such other aforementioned entities assumes any obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates that are inherently subject to numerous risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

FINANCIAL STATEMENTS

The financial statements of the Authority for fiscal years ending June 30, 2014 and June 30, 2013 included as APPENDIX A to this Official Statement have been examined by KPMG LLP, independent auditors, whose report thereon appears therein. KPMG LLP has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. KPMG LLP has not performed any procedures relating to this Official Statement.

The financial statements of the Authority for fiscal year ending June 30, 2015 included as APPENDIX A-2 to this Official Statement have been examined by Santora CPA Group, independent auditors, whose report thereon appears therein. Santora CPA Group, the Authority's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Santora CPA Group has not performed any procedures relating to this Official Statement. The Authority represents that, except as described herein, there has been no material adverse change in its financial position since June 30, 2015.

In addition to the security interest in the Pledged Funds, the 2015 Bonds and TIFIA Series 2015 Bond will also be secured by a subordinate lien on the Authority's Pledged TTF Revenues, subject to certain limitations on rights as holders of such indebtedness. For a discussion of such limitations, see "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS – Funds and Accounts; Flow of Funds; Subordinated Lien on Pledged TTF Revenues." The financial statements of the Authority included in APPENDIX A and APPENDIX A-2 to this Official Statement also include revenue sources that are not considered Pledged TTF Revenues and are not pledged as security for the 2015 Bonds.

LITIGATION

Except as stated in the following paragraphs below, to the knowledge of the Authority, there is no litigation pending or, to the knowledge of the Authority, threatened in any court or administrative body, questioning or affecting the authorization, approval, construction and operation of the New U.S. 301 Project, the power of the Authority to collect, pledge and assign the revenues to pay the 2015 Bonds as provided in the Indenture and the 1988 Trust Agreement, the issuance or delivery and validity of the 2015 Bonds or the proceedings and authority under which they are to be issued.

State law specifies that all contractors and subcontractors for the New U.S. 301 Project are required to provide craft training for journeyman and apprentice levels through a bona fide program (an "Apprenticeship Program") approved by and registered with the State and/or United States Department of Labor. As a condition to bidding on any construction contract for the New U.S. 301 Project, prospective bidders are required to be prequalified by the Department and validated by the Delaware Department of Labor, and as part of the prequalification process, such prospective bidders must certify that they provide an Apprenticeship Program in accordance with State law.

Associated Builders and Contractors, Inc., Delaware Chapter ("ABC") sent a letter, dated September 1, 2015, to Department Secretary Cohan in which it expressed its opposition to the Apprenticeship Program and asked for the removal of such Apprenticeship Program from the bidding requirements on the New U.S. 301 Project. In addition, ABC stated that it had recently filed suit in the United States District Court for the District of Delaware (the "U.S. District Court") challenging a County Ordinance enacted by New Castle County, Delaware (the "County") that mandates an apprenticeship training program for all prospective bidders to County contracts (the "New Castle County Case"). In its complaint, ABC requested that the County be enjoined from enforcing the apprenticeship requirements. On September 11, 2015, Secretary Cohan responded in writing that the Department was required by State law to require the Apprenticeship Program as a condition of bidding for the New U.S. 301 Project. Secretary Cohan then received a letter from ABC dated November 3, 2015 stating that while ABC was still in opposition to the Apprenticeship Program as a requirement for bidding the New U.S. 301 Project, it would not be proceeding with any legal challenge to such a bidding requirement. As of the date of this Official Statement, no lawsuit has been filed by ABC. On November 17, 2015, the U.S. District Court ruled in favor of the County and denied ABC's request for preliminary injunctive relief in the New Castle County Case; a final appealable judgment has not yet been entered.

The Department and the Authority have become aware that legal actions have been brought under the federal Employee Retirement Income Security Act ("ERISA") challenging similar statutory provisions requiring apprenticeship programs. Some of these challenges have been successful, while others have not, as most recently demonstrated with the U.S. District Court's ruling in the New Castle County Case. To the Department's knowledge and the Authority's knowledge, no legal action has been brought against the Department or the Authority with respect to the State's statutory requirement that prospective bidders have an Apprenticeship Program. Unless and until any challenge is commenced, if ever, the Department and the Authority are unable to currently determine any impact a challenge to State law and the Apprenticeship Program may have on the New U.S. 301 Project, including its construction or operation.

LEGAL MATTERS

The validity of the 2015 Bonds and certain other legal matters are subject to the approving opinion of Saul Ewing LLP, Wilmington, Delaware, Bond Counsel to the Authority. A complete copy of the proposed form of Bond Counsel opinion is contained in APPENDIX I hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Compensation paid to Bond Counsel and Underwriters' Counsel is conditioned upon the successful issuance of the 2015 Bonds. Certain legal matters will be passed upon for the Authority by a Deputy Attorney General of the State of Delaware. Certain legal matters will be passed upon for the Underwriters by Cozen O'Connor, Wilmington, Delaware and Philadelphia, Pennsylvania.

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 2015 Bonds. These provisions include, but are not limited to, requirements relating to the use and investment of the proceeds of the 2015 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 State subsequent to the issuance and delivery of the 2015 Bonds in order for interest thereon to be and remain excludable from gross income for purposes of federal income taxation. The State has made covenants to comply with such requirements.

In the opinion of Bond Counsel, interest (including accrued original issue discount) on the 2015 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 State comply with all applicable federal income tax law requirements that must be satisfied subsequent to the issuance of the 2015 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 2015 Bonds to be so includable in gross income retroactive to the date of issuance of the 2015 Bonds. The State has covenanted to comply with all such requirements. Interest on the 2015 Bonds is not treated as an item of tax preference under Section 57 of the Code for purposes of the individual and corporate alternative minimum taxes; however, under the Code, to the extent that interest on the 2015 Bonds is a component of a corporate holder's "adjusted current earnings," a portion of that interest may be subject to the corporate alternative minimum tax. Bond Counsel expresses no opinion regarding other federal tax consequences relating to the 2015 Bonds or the receipt of interest thereon. See discussion of "Alternative Minimum Tax", "Branch Profits Tax", "S Corporations with Passive Investment Income", "Social Security and Railroad Retirement Benefits", "Deduction for Interest Paid by Financial Institutions to Purchase or Carry Tax-Exempt

Obligations", "Property or Casualty Insurance Company" and "Accounting Treatment of Original Issue Discount and Amortizable Bond Premium" below.

Alternative Minimum Tax

The Code includes, for purposes of the corporate alternative minimum tax, a preference item consisting of, generally, seventy-five percent of the excess of a corporation's "adjusted current earnings" over its "alternative minimum taxable income" (computed without regard to this particular preference item and the alternative tax net operating loss deduction). Thus, to the extent that tax-exempt interest (including interest on the 2015 Bonds) is a component of a corporate holder's "adjusted current earnings," a portion of that interest may be subject to the alternative minimum tax.

Branch Profits Tax

Under the Code, foreign corporations engaged in a trade or business in the United States will be subject to a "branch profits tax" equal to thirty percent (30%) of the corporation's "dividend equivalent amount" for the taxable year. The term "dividend equivalent amount" includes interest on tax-exempt obligations.

S Corporations with Passive Investment Income

Section 1375 of the Code imposes a tax on the income of certain small business corporations for which an S Corporation election is in effect, and that have "passive investment income". For purposes of Section 1375 of the Code, the term "passive investment income" includes interest on the 2015 Bonds. This tax applies to an S Corporation for a taxable year if the S Corporation has Subchapter C earnings and profits at the close of the taxable year and has gross receipts, more than twenty-five percent (25%) of which are "passive investment income". Thus, interest on the 2015 Bonds may be subject to federal income taxation under Section 1375 of the Code if the requirements of that provision are met.

Social Security and Railroad Retirement Benefits

Under Section 86 of the Code, certain Social Security and Railroad Retirement benefits (the "benefits") may be includable in gross income. The Code provides that interest on tax-exempt obligations (including interest on the 2015 Bonds) is included in the calculation of "modified adjusted gross income" in determining whether a portion of the benefits received are to be includable in gross income of individuals.

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

The Code, subject to limited exceptions not applicable to the 2015 Bonds, denies the interest deduction for indebtedness incurred or continued to purchase or carry tax-exempt obligations, such as the 2015 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 2015 Bonds and any other tax-exempt obligations acquired after August 7, 1986.

Property or Casualty Insurance Company

The Code also provides that a property or casualty insurance company may also incur a reduction, by a specified portion of its tax-exempt interest income, of its deduction for losses incurred.

Accounting Treatment of Original Issue Discount and Amortizable Bond Premium

The 2015 Bonds maturing on June 1 in the years 2032 through 2038, inclusive, and June 1, 2040 in the principal amount of $520,000 and bearing interest at 3.750%, are herein 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 and the stated redemption price at maturity of each such 2015 Bonds 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 Delaware tax treatment of original issue discount.

The 2015 Bonds maturing on June 1 in the years 2021 through 2023, inclusive, June 1, 2039, June 1, 2040 in the principal amount of $3,140,000 and bearing interest at 5.000%, June 1, 2045 in the principal amount of $18,400,000 and bearing interest at 5.000%, June 1, 2045 in the principal amount of $13,050,000 and bearing interest at 4.000% and June 1, 2055 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 Premium Bonds, whether at the time of initial issuance or subsequent thereto, should consult their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Premium Bonds.

Delaware State Tax Opinion

In the opinion of Bond Counsel under existing statutes interest on the 2015 Bonds is exempt from personal and corporate income tax imposed by the State.

CHANGES IN FEDERAL TAX LAW

From time to time, there are presidential proposals, proposals by various federal committees and legislative proposals in Congress that, if enacted, could alter or amend the tax matters referred to herein or adversely affect the marketability or market value of the 2015 Bonds or otherwise prevent holders of the 2015 Bonds from realizing the full benefit of the tax exemption of interest on the 2015 Bonds. Further, such proposals may impact the marketability or market value of the 2015 Bonds simply by being proposed. 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 actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the 2015 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the 2015 Bonds would be impacted thereby.

Purchasers of the 2015 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. 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 2015 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

CONTINUING DISCLOSURE

General. The Authority has covenanted for the benefit of the Holders of the 2015 Bonds in a Continuing Disclosure Agreement to be dated the delivery date of the 2015 Bonds (the "*Disclosure Agreement*") to (a) provide notices of the occurrence of certain enumerated events; and (b) provide certain financial information and operating data relating to the Authority not later than the first day of the eighth calendar month immediately following the end of the Authority's fiscal year (the "*Annual Report*"). The Annual Report and the notices of significant events, both summarized below, will be filed by the Authority with the Electronic Municipal Market Access System ("*EMMA*") maintained by the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Report or the notices of significant events is summarized below. These covenants have been made in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12, as amended (the "*Rule*").

Annual Reports. The Authority's Annual Report filed with EMMA shall contain or incorporate by reference the information with respect to the relevant fiscal year as set forth in Exhibit "A" to the Continuing Disclosure Agreement attached hereto as APPENDIX F.

Notices of Significant Events. Upon the occurrence of any of the following notice events, the Authority shall in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events, file with EMMA notice of such occurrence: (1) principal and interest payment delinquencies; (2) nonpayment-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 or events affecting the tax status of the Bonds; (7) modifications to rights of Holder, if material; (8) bond calls (other than mandatory sinking fund redemptions), if material, and tender offers; (9) defeasances of Bonds; (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 State; (13) the consummation of a merger, consolidation, or acquisition involving the State or the sale of all or substantially all of the assets of the State, 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, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; or (15) failure to provide annual financial information as required.

Accounting Standards. The financial statements described above shall be audited in accordance with generally accepted accounting principles applicable in the preparation of financial statements of the Authority as such principles are from time to time 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 ("*GAAP*"), and shall also comply with applicable federal and state auditing statutes, regulations, standards and/or guidelines. The State 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. Audited financial statements of the Authority not submitted as part of the Annual Report shall be provided to EMMA if and when available to the Authority, and in any event not more than thirty (30) days after receipt thereof from the Authority's auditors. In the event that audited financial statements are not submitted as part of the Annual Report, the Authority shall provide in lieu thereof unaudited financial statements meeting the description set forth above.

Termination of Reporting Obligation. The Authority's obligations under the Disclosure Agreement shall terminate upon (a) the legal defeasance, prior redemption or payment in full of all of the Bonds or (b) the assumption by a successor Obligated Person of all of the obligations of the prior Obligated Person both under the Disclosure Agreement and under the Bonds.

Amendments. Notwithstanding any other provision of the Disclosure Agreement, the Authority may modify or amend the Disclosure Agreement. Under the current SEC interpretation of the Rule, the following preconditions must be satisfied: (a) the 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 Authority, or change in the type of business conducted by the Authority; (b) the Disclosure Agreement, as amended, would have complied with the requirements of the Rule as of the date of issuance of the relevant Bonds, after taking into account any amendment or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment does not materially adversely effect the interests of Holder as determined either by a party unaffiliated with the Authority (such as the Trustee or nationally recognized bond counsel) or by an approving vote of a majority of Holders.

To the extent required by the Rule, the Authority shall disclose in the next Annual Report the amendment and its impact on the information being provided.

Defaults. In the event of a failure of the Authority to comply with any provision of the Disclosure Agreement, the 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 Authority to comply with its obligations under the Disclosure Agreement. A default under the Disclosure Agreement shall not be deemed an Event of Default under the Indenture or the Bonds, and the sole remedy under the Disclosure Agreement in the event of any failure of the Authority to comply with the Disclosure Agreement shall be an action to compel performance, provided, however, that nothing in the Disclosure Agreement shall limit any Holder's rights under applicable federal securities law.

The Authority previously failed to timely file an event notice in connection with a rating change on June 16, 2014 in connection with the Authority's 2010 GARVEE Bonds. The Authority subsequently filed the notice on EMMA on August 14, 2014.

Other than as set forth in the preceding paragraph, the Authority has complied in all material respects with all of its obligations under continuing disclosure agreements to which it is a party in each of the past five years.

RATINGS

The 2015 Bonds have received ratings of "A1" (stable outlook) from Moody's Investors Service ("*Moody's*") and "AA-" (stable outlook) from Standard & Poor's Ratings Services ("*S&P*").

An explanation of the significance of each such rating may be obtained from the agency furnishing the rating. The ratings reflect only the views of such agencies at the time such ratings are given, and the Authority makes no representation as to the appropriateness of the ratings. The Authority and the Authority's Financial Advisor furnished Moody's and S&P with certain information and materials relating to the 2015 Bonds and the TIFIA Indebtedness that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies, and assumptions by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Except as described under the caption "CONTINUING DISCLOSURE" herein, neither the Authority nor any of the Underwriters has undertaken any responsibility to bring to the attention of the registered owners of the 2015 Bonds any proposed revision or withdrawal of the ratings of the 2015 Bonds or to oppose any such proposed revision or withdrawal. Any such change in or withdrawal of such ratings could have an adverse effect on the market price or marketability of the 2015 Bonds.

FINANCIAL ADVISOR

Public Financial Management, Inc. has served as financial advisor (the "*Financial Advisor*") to the Authority in connection with the sale of the 2015 Bonds. The Financial Advisor is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities. Compensation paid to the Financial Advisor is contingent upon the successful issuance of the 2015 Bonds.

UNDERWRITING

The 2015 Bonds are being purchased by Merrill Lynch, Pierce, Fenner & Smith, Incorporated, as representative of a group of underwriters (the "*Underwriters*"). The Underwriters have agreed to purchase said 2015 Bonds at a purchase price of $233,834,541.49 (which is equal to the aggregate principal amount of $212,535,000.00 plus net original issue premium of $21,779,846.20 less underwriters' discount of $480,304.71). The Underwriters' obligation to make such purchase is subject to certain terms and conditions set forth in the related purchase contract, the approval of certain legal matters by Bond Counsel and certain other conditions.

The Underwriters reserve the right to change the initial prices of the 2015 Bonds in connection with the marketing of the 2015 Bonds and may offer and sell the 2015 Bonds to certain dealers (including dealers depositing the 2015 Bonds into investment trusts) and others at prices lower than the initial public offering price or prices set forth in the Official Statement.

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 may have, from time to time, performed and may in the future perform, various investment banking services for the Authority, for which they may have 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. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Citigroup Global Markets Inc., an Underwriter of the 2015 Bonds, has entered into a retail distribution agreement with each of TMC Bonds L.L.C. ("TMC") and UBS Financial Services Inc. ("UBSFS"). Under these distribution agreements, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this arrangement, Citigroup Global Markets Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Bonds.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the 2015 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 (if applicable to this transaction), each of CS&Co. and LPL will purchase 2015 Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any 2015 Bonds that such firm sells.

M&T Securities, Inc., one of the Underwriters of the 2015 Bonds, is an affiliate of Wilmington Trust, National Association, the Trustee for the 2015 Bonds.

OTHER MATTERS

The financial data and other information contained herein have been obtained from the Authority's records, financial statements, and other sources that are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects. Copies may be obtained from the Authority.

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

DELAWARE TRANSPORTATION AUTHORITY

By: Secretary of Department of Transportation

/s/ Jennifer Cohan

Director of Finance

/s/ Hugh E. Curran

Transportation Trust Fund Administrator

/s/ Brian G. Motyl

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APPENDIX A

AUTHORITY'S AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDED
JUNE 30, 2014 AND JUNE 30, 2013

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STATE OF DELAWARE
DEPARTMENT OF TRANSPORTATION
Financial Statements
June 30, 2014
(With summarized financial information for the year ended June 30, 2013)

(With Independent Auditors' Report Thereon)

STATE OF DELAWARE
DEPA RTM ENT OF TRANSPORTATION

Table of Contents

KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Auditors' Report

Delaware Department of Transportation
Dover, Delaware

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of the State of Delaware Department of Transportation (Department of Transportation), which is an enterprise fund of the State of Delaware as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Department of Transportation's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Department of Transportation as of June 30, 2014, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

Changes in Accounting Principle Resulting from Adoption of New Accounting Pronouncements

As discussed in Note 2(n) to the financial statements, effective July 1, 2013, the Department of Transportation adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the financial statements of the Department of Transportation, are intended to present the financial position, the changes in financial position and, cash flows of only that portion of the business-type activities and major funds of the State of Delaware that is attributable to the transactions of the Department of Transportation. They do not purport to, and do not, present fairly the financial position of the State of Delaware as of June 30, 2014, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Department of Transportation's financial statements for the year ended June 30, 2013, from which such partial information was derived.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department of Transportation's basic financial statements. The Balance Sheet in Accordance with Trust Agreement, the Statement of Revenues, Expenses, and Changes in Net Position in Accordance with Trust Agreement, Schedule of Revenue Bonds Outstanding, and Schedule of Revenue Bond Coverage are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Balance Sheet in Accordance with Trust Agreement, the Statement of Revenues, Expenses, and Changes in Net Position in Accordance with Trust Agreement, Schedule of Revenue Bonds Outstanding, and Schedule of Revenue Bond Coverage are the responsibility of management and were derived from and relate directly to the underling accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Balance Sheet in Accordance with Trust Agreement, the Statement of Revenues, Expenses, and Changes in Net Position in Accordance with Trust Agreement, Schedule of Revenue Bonds Outstanding, and Schedule of Bond Coverage are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated December 10, 2014 on our consideration of the Department of Transportation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

KPMG LLP

Philadelphia, PA
December 10, 2014

STATE OF DELAWARE
DEPARTMENT OF TRANSPORTATION

Management Discussion and Analysis

June 30, 2014

This section of the Delaware Department of Transportation's (the Department) annual financial statements presents our discussion and analysis of the Department's financial performance during the fiscal year ended June 30, 2014.

Background

The mission of the Department is to provide a safe, efficient, and environmentally sensitive transportation network that offers a variety of convenient, cost-effective mobility opportunities for the movement of people and goods. The Department is responsible for the construction and maintenance of the State of Delaware's (the State) roadways, bridges, and public transportation systems, and for the coordination and development of the State's comprehensive, balanced transportation planning and policies.

Financial Highlights

- Outstanding revenue bonds payable continued to decrease as the Department continues to limit long-term borrowing and decrease debt-service costs. Revenue bonds payable decreased to $939.1 million at June 30, 2014 from $1,023.5 million at June 30, 2013.
- Operating revenues increased by $22.2 million to $484.8 million during the fiscal year ended June 30, 2014, primarily from increased motor vehicle related revenues as a result of continued strong auto sales; revenue increases were also seen in both of our toll roads, SR-1 and I-95.
- Operating expenses increased by $27.1 million to $568.2 million during the fiscal year ended June 30, 2014, primarily as a result of increases in professional fees for the planning of projects and materials and supplies from a challenging winter season.
- Total capital assets (net of depreciation) increased $117.2 million to $4,272.3 million during fiscal 2014, primarily as a result of the welcome service center, construction of a motor vehicle center, and ongoing US-301 and Turnpike/SR-1 interchange projects.

Overview of the Financial Statements

The Department is an agency of the State, and operates as an enterprise fund. Included within the Department is the Delaware Transportation Authority (the Authority), which is a blended component unit of the Department. The Authority is made up of the activities of the Transportation Trust Fund (the Trust Fund) and the Delaware Transit Corporation (DTC).

The financial section of this annual report consists of five parts: (1) management's discussion and analysis (this section), (2) the basic financial statements, (3) required supplementary information, and (4) additional information.

The financial statements provide both long- and short-term information about the Department's overall financial status.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by required supplementary information and additional information that further explains and supports the information in the financial statements.

The Department's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units on an accrual basis. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the statements of revenues, expenses, and changes in fund net position. All assets and liabilities associated with the operation of the Department are included in the statements of net position.

Financial Analysis of the Department

Statements of Net Position

The Department's total assets were $4,675.4 million at June 30, 2014, compared to $4,562.6 million at June 30, 2013. Total liabilities were $1,316.8 million at June 30, 2014, compared to $1,343.1 million at June 30, 2013. Net position at June 30, 2014 was $3,361.9 million, compared to $3,219.5 at June 30, 2013.

Condensed Financial Information - Department of Transportation
As of June 30
(Expressed in Millions)

	2014	2013	Change
Current assets	$ 313.2	$ 318.9	$ (5.7)
Capital assets	4,272.3	4,155.1	117.2
Other noncurrent assets	89.9	88.6	1.3
Total assets	4,675.4	4,562.6	$ 112.8
Deferred outflows of resources	22.8	-	22.8
Current liabilities	179.7	176.9	2.8
Noncurrent liabilities	1,137.1	1,166.2	(29.1)
Total liabilities	1,316.8	1,343.1	(26.3)
Deferred inflows of resources	19.5	-	19.5
Net position			
Net investment in capital assets	3,267.4	3,142.8	124.6
Restricted	160.5	163.6	(3.1)
Unrestricted	(66.0)	(86.9)	20.9
Total net position	$ 3,361.9	$ 3,219.5	142.4

The decrease in current assets is attributed to smaller investment balances as a result of not issuing new debt during the year. The increase in capital assets for is primarily a result of increased spending for DTC's revenue vehicles. Also, the Department recognized a capital asset for the Welcome Service Center of $22.1 million and a deferred inflow of resources of $19.5 million, thereby causing an increase those areas. The remaining increase in capital assets was due to the increased building of infrastructure of the State's road system and the New Castle County Department of Motor Vehicles center.

Although there were increases in the net post-employment benefits obligations adding to liabilities, the decrease in total liabilities was primarily the result of not issuing new debt during the year, a refunding of existing debt and the payment of existing bonds.

For FY2014, the unrestricted net position increased due to the decision to draw down existing cash balances to pay for capital assets instead of issuing new debt during the year.

Changes in Net Position

The Department's net position at June 30, 2014 was $3,361.9 million, compared to $3,219.5 million at June 30, 2013. Operating revenues were $484.8 million and $462.6 million in fiscal years 2014 and 2013, respectively. Total operating expenses were $568.2 million and $541.1 million in fiscal years 2014 and 2013, respectively.

Changes in Net Position - Department of Transportation
For years ended June 30
(Expressed in Millions)

	2014	2013	Change
Operating revenues	$ 484.8	$ 462.6	$ 22.2
Operating expenses			
Operating expenses	534.5	515.8	18.7
Depreciation	33.7	25.3	8.4
Total operating expenses	568.2	541.1	27.1
Operating loss	(83.4)	(78.5)	(4.9)
Nonoperating revenues, net	188.6	172.4	16.2
Income before transfers	105.2	93.9	11.3
Transfers, net	39.6	36.5	3.1
Change in net position	144.8	130.4	14.4
Total net position - beginning*	3,217.1	3,089.1	128.0
Total net position - end of year	$ 3,361.9	$ 3,219.5	$ 142.4

*As restated, see note 2(n)

The increase in operating revenues from 2013 to 2014 is primarily attributed to increased toll revenues and an increase in motor vehicle and related revenues as a result of increased auto sales.

The increase in total operating expenses from 2013 to 2014 was primarily due to increased professional fees for the planning of projects and increases in materials and supplies from a challenging winter season.

Nonoperating revenues increased from fiscal years 2013 to 2014 as a result of increased federal grant revenues relating to federal capital projects.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2014, the Department had invested $4,483.6 million in capital assets, including roads, bridges, buildings, land, and equipment. This amount represents a net increase (including additions and net of disposals, and depreciation) of $117.2 million over June 30, 2013. The most significant contributors to the increase are the Welcome Center of $22.1 million, DTC's purchase of revenue vehicles of $31.8 million and construction in progress project for the new Department of Motor Vehicles of $30.9 million.

The Department is using the "modified approach" for related to depreciation on its roads and bridges. The modified approach requires that the Department initially set a percentage benchmark for maintaining the infrastructure in fair or better condition and report at least every three years on their condition assessment.

It is the Department's policy to maintain at least 85% of its highway system at a fair or better condition rating and 75% of its bridge system (combined structural and deck ratings) at a good or better condition rating as follows:

The condition of road pavement is measured using the Overall Pavement Condition (OPC) system, which is based on the extent and severity of various pavement distresses that are visually observed. The OPC system uses a measurement scale that is based on a condition index ranging from 0 for poor pavement to 5 for pavement in excellent condition.

The condition of bridge structures is measured using the "Bridge Condition Rating" (BCR), which is based on the Federal Highway Administration's (FHWA) Coding Guide, "Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation's Bridges." The BCR uses a measurement scale that is based on a condition index ranging from 0 to 4 for substandard bridges to 9 for bridges in perfect condition. For reporting purposes, substandard bridges are classified as those with a rating of 4 or less. The good or better condition bridges are taken as those with ratings of 6 to 9. A 5 rating is considered fair. The information is taken from past "Bridge Inventory Status" reports.

The Department performs condition assessments of eligible infrastructure assets at least every three years.

Of the Department's 1,592 bridge structures that were rated in 2014, 75.3% received a good or better BCR rating, 19.3% were rated fair, and 5.4% received a substandard rating. Of the 7,858,872 square feet of bridge deck that was rated, 74.9% or 5,886,694 square feet received an OPC condition rating of good or better, 21.0% received a fair rating, and 4.1% received a substandard deck rating. In 2013, 4,448 centerline miles were rated; 98.6% received a fair or better OPC rating and 1.4% received a poor rating. No roadway condition assessment was performed for 2014.

The estimate to maintain and preserve the Department's infrastructure was $198.9 million and $185.4 million, for 2014 and 2013, respectively. The actual expenditures were $234.8 million and $233.8 million for 2014 and 2013, respectively.

Debt Administration

Transportation Systems Revenue Bonds are issued with the approval of the State and the State's Bond Issuing Officers (the Governor, the Secretary of Finance, the Secretary of State, and the State Treasurer) to finance improvements to the State's transportation systems. Approval by the General Assembly of the State is not required for the Delaware Transportation Authority (the Authority) to issue bonds to refund any of its bonds provided that a present value debt service savings is achieved in such refunding. The sales must comply with the rules and regulations of the United States Treasury Department and the United States Securities and Exchange Commission.

At June 30, 2014, the Authority had $939.1 million in revenue bonds outstanding, an 8.2% decrease from June 30, 2013. On June 30, 2014 and 2013, the Authority had a total of $235.6 million in authorized but unissued revenue bonds. During 2014, the Authority issued $108.8 million of Transportation System Senior Revenue Bonds, 2014 Series, to provide for an advance refunding of $118.0 million prior Transportation System Senior Revenue Bonds.

Of the 11 outstanding Senior Bond Issues, all bonds are rated AA+ and Aa2 by Standard and Poor's and Moody's Investors Services, respectively. The GARVEE Bond, 2010 Series is rated AA and A1 by Standard and Poor's and Moody's Investors Services, respectively.

The Department's investment portfolio is actively managed by Wilmington Trust Company, and primarily consists of U.S. government securities, U.S. Government agency securities, and high-grade commercial paper. The majority of these investments have maturities of less than one year. The Department's bond ratings have allowed continued access to the municipal bond market at favorable interest rates duringng the current economic downturn.

Contacting the Department's Financial Management

This financial report is designed to provide bondholders, patrons, and other interested parties with a general overview of the Department's finances and to demonstrate the Department's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Delaware Department of Transportation, Finance Unit, and P.O. Box 778, Dover, DE 19903.

State of Delaware
Department of Transportation
Statement of Net Position
June 30, 2014
(with summarized financial information for June 30, 2013)

		Delaware Transportation Authority		2014	2013
	DELDOT	TTF	DTC	Total	Total
Assets					
Cash and Cash equivalents					
Unrestricted	$ 773,018	$ 16,648,716	$ 29,394,671	$ 46,816,405	$ 45,541,372
Restricted	8,884	26,646,290	-	26,655,174	30,960,317
Treasurer's Office investment pool	14,355,895	-	-	14,355,895	4,597,127
Investment - at fair value					
Unrestricted	-	79,197,865	-	79,197,865	64,902,278
Restricted	203,818	70,313,336	-	70,517,154	107,926,887
Accounts receivable					
Trade	8,683,557	8,411,336	1,094,618	18,189,511	17,449,225
Federal grant	30,405,574	6,899,661	1,815,789	39,121,024	27,058,232
Interest	-	454,745	-	454,745	535,890
Inventory	14,129,218	-	3,573,192	17,702,410	18,425,327
Bond issuance costs - net of accumulated amortization	-	-	-	-	307,845
Escrow insurance deposits	-	-	144,386	144,386	181,562
Prepaid expenses	-	-	68,939	68,939	1,044,414
Total current assets	68,559,964	208,571,949	36,091,595	313,223,508	318,930,476
Noncurrent assets					
Capital assets, not depreciable					
Land	140,738,100	146,001,454	1,872,536	288,612,090	283,875,945
Infrastructure	2,512,510,222	1,211,164,715	-	3,723,674,937	3,670,250,132
Construction in progress	34,086,538	-	-	34,086,538	3,140,333
Other buildings and improvements	-	22,100,000	-	22,100,000	-
Capital assets, depreciable	-	-	-	-	-
Buildings and improvements	53,805,263	8,072,030	56,753,109	118,630,402	109,638,374
Fixtures, vehicles, and equipment	107,301,774		189,174,256	296,476,030	268,899,951
Total Capital Assets	2,848,441,897	1,387,338,199	247,799,901	4,483,579,997	4,335,804,735
Less: Accumulated depreciation	81,648,668	4,028,642	125,596,078	211,273,388	180,690,655
Capital assets	2,766,793,229	1,383,309,557	122,203,823	4,272,306,609	4,155,114,080
Investments - at fair value net of current portion					
Unrestricted	-	26,553,523	-	26,553,523	13,552,718
Restricted	-	59,626,299	-	59,626,299	69,569,136
Prepaid pension - restricted	-	-	3,707,985	3,707,985	3,312,091
Bond issuance costs - net of accumulated amortization	-	-	-	-	2,072,839
Total noncurrent assets	2,766,793,229	1,469,489,379	125,911,808	4,362,194,416	4,243,620,864
Total assets	2,835,353,193	1,678,061,328	162,003,403	4,675,417,924	4,562,551,340
Deferred Outflows of Resources	-	22,823,445	-	22,823,445	-

See accompanying notes to financials

State of Delaware
Department of Transportation
Statement of Net Position
June 30, 2014
(with summarized financial information for June 30, 2013)

	DELDOT	Delaware Transportation Authority TTF	DTC	2014 Total	2013 Total
Liabilities					
Accounts payable and other accrued expenses	$ 21,228,401	$ 12,343,703	$ 7,763,668	$ 41,335,772	$ 33,448,125
Accrued payroll	3,478,332	-	1,863,691	5,342,023	6,001,918
Other accrued expenses	-	-	108,521	108,521	-
Escrow deposit	7,357,661	2,754,858	-	10,112,519	6,122,032
Customer toll deposits	-	11,921,228	-	11,921,228	13,785,582
Interest payable	-	20,733,321	-	20,733,321	23,696,349
Unearned revenue	-	56,675	-	56,675	592,565
Pollution remediation obligations	1,280,000	-	-	1,280,000	1,246,700
Insurance loss reserve	-	-	2,427,420	2,427,420	2,454,975
Compensated absences payable	726,633	-	1,060,499	1,787,132	5,036,771
General obligation bonds payable	-	103,426	-	103,426	142,866
Revenue bonds payable	-	77,655,000	-	77,655,000	72,543,651
Bond issue premium - net accumulated amortization	-	6,823,880	-	6,823,880	11,795,497
Total current liabilities	34,071,027	132,392,091	13,223,799	179,686,917	176,867,031
Noncurrent Liabilities					
Post-employment benefits payable	103,545,333	-	90,958,540	194,503,873	168,276,966
Compensated absences - net of current portion	8,348,270	-	2,131,193	10,479,463	9,190,489
Insurance loss reserve - net of current portion	-	-	9,583,580	9,583,580	7,392,025
Pollution remediation obligations - net of current portion	2,231,500	-	-	2,231,500	2,758,000
General obligation bonds payable - net of current portion	-	-	-	-	103,426
Revenue bonds payable- net of current portion	-	861,400,000	-	861,400,000	934,587,646
Bond issue premium - net of accumulated amortization	-	-	-	-	-
and current portion	-	58,915,314	-	58,915,314	43,894,545
Total noncurrent liabilities	114,125,103	920,315,314	102,673,313	1,137,113,730	1,166,203,097
Total liabilities	148,196,130	1,052,707,405	115,897,112	1,316,800,647	1,343,070,128
Deferred Inflows of Resources	-	19,574,286	-	19,574,286	-
Net position					
Net investment in capital assets	2,766,793,229	378,411,937	122,203,823	3,267,408,989	3,142,840,718
Restricted	212,702	156,585,925	3,707,985	160,506,612	163,538,916
Unrestricted	(79,848,868)	93,605,220	(79,805,517)	(66,049,165)	(86,898,422)
Total net position	$ 2,687,157,063	$ 628,603,082	$ 46,106,291	$ 3,361,866,436	$ 3,219,481,212

State of Delaware
Department of Transportation
Statement of Revenues, Expenses, and changes in Fund Net Position
June 30, 2014
(with summarized financial information for June 30, 2013)

		Delaware Transportation Authority		2014	2013
	DELDOT	TTF	DTC	Total	Total
Operating revenues					
Pledged revenue					
Turnpike revenues	$ -	$ 122,404,184	$ -	$ 122,404,184	$ 120,089,261
Motor fuel tax revenue	-	114,555,916	-	114,555,916	112,582,805
Motor vehicle document fee revenue		84,830,376	-	84,830,376	77,585,014
Motor vehicle registration fee revenue	-	49,243,279	-	49,243,279	47,559,850
Motor vehicle and related revenue	-	26,259,772	-	26,259,772	25,456,412
International Fuel Tax Agreement revenue	-	2,372,142	-	2,372,142	2,424,796
Toll revenue - Delaware SR-1	-	47,561,542	-	47,561,542	46,223,585
Passenger fares	-	-	16,332,281	16,332,281	14,589,391
Railway tolls	-	1,413,228	-	1,413,228	1,492,869
Traffic violations	-	6,583,963	-	6,583,963	2,935,636
Advertising	-	-	622,709	622,709	591,458
Auxiliary transportation	-	-	650,476	650,476	619,051
Miscellaneous	6,121,853	4,752,579	1,060,340	11,934,772	10,459,048
Total operating revenues	6,121,853	459,976,981	18,665,806	484,764,640	462,609,176
Operating expenses					
Road maintenance, preservation, and repairs	72,715,596	49,372,042	-	122,087,638	130,046,485
Payroll expense	121,078,742	-	79,920,236	200,998,978	193,886,609
Professional fees	36,536,384	100,086,311	20,854,491	157,477,186	136,380,548
Materials, supplies, and other	4,929,676	23,758,092	25,259,630	53,947,398	55,521,769
Depreciation	14,669,462	154,695	18,872,589	33,696,746	25,332,381
Total operating expenses	249,929,860	173,371,140	144,906,946	568,207,946	541,167,792
Operating Income/loss	(243,808,007)	286,605,841	(126,241,140)	(83,443,306)	(78,558,616)
Nonoperating revenues(expenses)				-	-
Income from investments-Pledged	-	2,257,110	-	2,257,110	(673,168)
Income from investments	-	-	24,083	24,083	64,592
Bad debt recovery	-	887,732	-	887,732	853,488
Federal grant revenue	210,984,744	6,899,661	5,901,601	223,786,006	212,386,561
Pass-through grant revenue	-	-	3,508,012	3,508,012	12,367,381
Pass-through grant expense	-	-	(5,973,876)	(5,973,876)	(14,362,027)
Interest expense	-	(38,529,291)	-	(38,529,291)	(39,224,203)
Service concession arrangement	-	2,525,714	-	2,525,714	-
Gain on asset disposal	-	-	-	-	1,018,401
Excess (Deficiency) of nonoperating revenue over nonoperatin	210,984,744	(25,959,074)	3,459,820	188,485,490	172,431,025
Income/loss before transfers	(32,823,263)	260,646,767	(122,781,320)	105,042,184	93,872,409
Transfers to other governmental agencies	-	(3,743,385)	-	(3,743,385)	(1,793,392)
Transfers to State General Fund	-	(5,000,000)	-	(5,000,000)	(5,000,000)
Transfers From State General Fund	-	48,467,109	-	48,467,109	43,257,404
Capital Contributions	(25,908,423)	-	25,908,423	-	-
Transfer to DTC	(7,459,756)	(83,878,200)	91,337,956	-	-
Transfer to DelDOT	112,792,414	(112,792,414)	-	-	-
Change in fund net position	46,600,972	103,699,877	(5,534,941)	144,765,908	130,336,421
Total fund net position - beginning of year (as restated, see Note 1)	2,640,556,091	524,903,205	51,641,232	3,217,100,528	3,089,144,791
Total fund net position - end of year	$ 2,687,157,063	$ 628,603,082	$ 46,106,291	$ 3,361,866,436	$ 3,219,481,212

See accompanying notes to financials

State of Delaware
Department of Transportation
Statements of Cash Flows
Years Ended June 30, 2014

(With summarized financial information for the year ended June 30, 2013)

	DELDOT	Delaware Transportation Authority TTF	DTC	2014 Total	2013 Total
Cash flows from operating activities					
Operating receipts	$ 3,524,930	$ 461,628,043	$ 16,508,029	$ 481,661,002	$ 459,187,713
Payments to suppliers	(104,515,972)	(177,461,825)	(34,731,205)	(316,709,002)	(375,216,753)
Payments to employees	(112,725,654)	-	(64,408,631)	(177,134,285)	(119,723,647)
Insurance claims paid	-	-	(3,960,884)	(3,960,884)	(3,848,013)
Other receipts	-	-	2,899,712	2,899,712	2,435,320
Net cash provided by (used in) operating activities	(213,716,696)	284,166,218	(83,692,979)	(13,243,457)	(37,165,380)
Cash flows from noncapital financing activities					
Transfers from State General Fund	-	48,467,109	-	48,467,109	43,257,404
Transfers to State General Fund	-	(5,000,000)	-	(5,000,000)	(5,000,000)
Federal operating subsidies	-	-	4,516,222	4,516,222	-
Pass-through grant reveue	-	-	2,159,344	2,159,344	-
Pass-through grant payments	-	-	(5,973,876)	(5,973,876)	-
Transfers from TTF	104,630,968	(196,670,614)	91,337,956	(701,690)	-
Transfers to other governmental agencies	-	(3,743,385)	-	(3,743,385)	(1,793,392)
Net cash provided by (used in) noncapital financing activities	104,630,968	(156,946,890)	92,039,646	39,723,724	36,464,012
Cash flows from capital and related financing activities					
Payments of revenue bond principal	-	(84,450,000)	-	(84,450,000)	(83,230,000)
Payments of general obligation bond principal	-	(142,867)	-	(142,867)	(195,189)
Premium from revenue bond sale	-	15,983,075	-	15,983,075	-
Loss from bond refunding of bond sale	-	8,089,500	-	8,089,500	-
Federal reimbursement of debt service	-	-	-	-	10,880,513
Proceeds from capital grants	207,200,107	-	-	207,200,107	194,853,070
Bond issuance costs from revenue bond sale	-	2,380,684	-	2,380,684	(7,984)
Proceeds from capital contribution	(25,908,423)	-	25,908,423	-	-
Acquisition of capital assets	(62,612,325)	(33,923,489)	(31,621,980)	(128,157,794)	(146,610,351)
Proceeds from sale of land and equipment	-	-	453,772	453,772	2,035,536
Payments of interest	-	(47,745,720)	-	(47,745,720)	(48,114,858)
Net cash provided by (used in) capital and related financing activiti	118,679,359	(139,808,817)	(5,259,785)	(26,389,243)	(70,389,263)
Cash flows from investing activities					
Purchase of investments	(154,466)	(23,278,830)	-	(23,433,296)	(369,264,910)
Proceeds from sale of investments	-	26,945,974	-	26,945,974	465,569,570
Collection on loans previously written off	-	887,732	-	887,732	853,488
Escrow insurance deposits	-	-	37,176	37,176	135,398
Interest received	-	2,175,965	24,083	2,200,048	2,391,902
Net cash provided by (used in) investing activities	(154,466)	6,730,841	61,259	6,637,634	99,685,448
Net increase (decrease) in cash and cash equivalents	9,439,165	(5,858,648)	3,148,141	6,728,658	28,594,817
Cash and cash equivalents - beginning of year	5,698,632	49,153,654	26,246,530	81,098,816	52,503,999
Cash and cash equivalents - end of year	$ 15,137,797	$ 43,295,006	$ 29,394,671	87,827,474	81,098,816

See accompanying notes to financials

State of Delaware
Department of Transportation
Statements of Cash Flows
Years Ended June 30, 2014
(With summarized financial information for the year ended June 30, 2013)

		Delaware Transportation Authority		2014	2013
	DELDOT	TTF	DTC	Total	Total
Reconciliation of operating income (loss) to net cash used in operating activities					
Net operating income (loss)	$ (243,808,007)	$ 286,605,841	$ (126,241,140)	$ (83,443,306)	$ (78,558,616)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	14,669,462	154,695	18,872,589	33,696,746	25,332,381
Changes in assets and liabilities:					
(Increase)decrease in accounts receivable	(2,596,923)	1,562,294	741,935	(292,694)	(929,678)
(Increase) decrease in inventory	227,995	-	494,922	722,917	102,727
(Increase) decrease in prepaid expenses	-	84,402	928,249	1,012,651	(258,248)
(Increase) decrease in prepaid pension	-	-	(395,894)	(395,894)	(292,218)
Increase (decrease) in accounts payable and other accrued	5,972,495	(2,465,428)	3,834,861	7,341,928	1,908,916
Increase (decrease) in escrow account	3,365,829	624,658	-	3,990,487	-
Increase (decrease) in insurance loss reserve	-	-	2,164,000	2,164,000	-
Increase (decrease) in due to State General Fund	-	-	-	-	(4,525,925)
Increase (decrease) in compensated absences	(1,915,702)	-	237,313	(1,678,389)	-
Increase (decrease) in accrued payroll and related expenses	(497,717)	-	209,786	(287,931)	(3,160,745)
Increase (decrease) in unearned revenue	-	(535,890)	-	(535,890)	(56,465)
Increase (decreae) in customer toll deposits	-	(1,864,354)	-	(1,864,354)	-
Increase (decrease) in pollution remediation obligation	99,365	-	-	99,365	(1,334,200)
Increase (decrease) in post-employment benefits	10,766,507	-	15,460,400	26,226,907	24,606,691
Net cash used in operating activities	$ (213,716,696)	$ 284,166,218	$ (83,692,979)	$ (13,243,457)	$ (37,165,380)

(1) Organization

The Delaware Department of Transportation (the Department) is a major fund of the State of Delaware (the State). The Department has the overall responsibility for coordinating and developing comprehensive, balanced transportation planning and policies for the State. In addition, the Department has overall responsibility for maintenance and operation of roadways and bridges that fall under its jurisdiction. To assist the Department in their mission, the State and the Department created the Delaware Transportation Authority (the Authority), which includes the activities of the Transportation Trust Fund (the Trust Fund) and the Delaware Transit Corporation (DTC). The Authority is a body politic and corporate whose actions are overseen by the Secretary of Transportation (the Secretary), the Director of the Office of Financial Management and Budget, and the Administrator of the Trust Fund. The Authority's principal role is to provide financing to the Department and as a result is a blended component unit of the State and is included in these financial statements on a blended basis.

The Trust Fund was created by the State as a special fund with its corporate powers held by the Authority, under the Transportation Trust Fund Act of 1987 (the TTF Act). The underlying purpose of the TTF Act and the Trust Fund is to address the growing urgency to provide additional means to finance the maintenance and development of the integrated highway, air, and water transportation system in the State for the economic benefit of the State and for the welfare and safety of the users of the transportation system. The primary funding of the Trust Fund comes from motor fuel taxes, motor vehicle document fees, motor vehicle registration fees, and other transportation-related fees, which are imposed and collected by the State and transferred to the Trust Fund. The State has irrevocably pledged, assigned, and continuously appropriated to the Trust Fund these taxes and fees. The other major sources of revenue for the Trust Fund are the Delaware Turnpike and the Delaware SR-1 Toll Roads. The Authority may apply Trust Fund revenue for transportation projects, subject to the approval of the State, and may pledge any or all of this revenue to secure financing for these projects. The TTF Act also granted the Authority the power to issue bonds payable from and secured by the revenues pledged and assigned to the Trust Fund.

The trust agreements in effect are the Motor Fuel Tax Revenue Bond Trust Agreement (the Motor Fuel Tax Agreement), dated September 1, 1981, as supplemented, and the Transportation Trust Fund Agreement (the Trust Agreement), dated August 1, 1988, as supplemented. The Trust Agreement is a bond indenture, intended to ensure payment to bondholders through assets and revenues pledged to the Trust Fund. Pledged revenues fund certain accounts created under Section 4.02 of the Trust Agreement and, to the extent those revenues are not needed for that purpose, they are deposited, lien-free, to the Trust Fund. Surplus pledged revenues and non-pledged revenues of the Trust Fund may be used to fund the operations of the Department. The provisions of the Motor Fuel Tax Agreement and the Trust Agreement govern the disposition of revenues and other income and prescribe certain accounting practices, including the conditions for transfer of monies among the various funds and accounts held by the Authority or the Trustee and the use of such funds.

Pursuant to Title 2 of the Delaware Code, Sections 1304(a) and 1307(a) as enacted by 69 Delaware Law Chapter 435, DTC was created in fiscal year 1995 as a subsidiary public benefit corporation of the Authority. With approval of the Governor, the Secretary appoints the Director of DTC, who serves at the pleasure of the Secretary. The Authority provides significant operational subsidies to DTC annually. DTC is authorized to operate the public transportation system within the State, and provides services directly to the public. As a result, it is a discrete component unit of the Authority. Financial statements for DTC and the Trust Fund are available by writing to the Department of Transportation, 800 Bay Road, Dover, Delaware 19903.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The Department which is comprised of three funds DelDOT, Trust Fund (TTF), and DTC and operates as an enterprise fund. The Department's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows.

(b) Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits, short-term money market securities, and other deposits held by financial institutions, generally with original maturities of three months or less.

The Department maintains cash escrow accounts for administrative purposes and has classified these cash balances as restricted. An offsetting liability is recorded in the accompanying statements of net position.

(c) Allowance for Doubtful Accounts

Accounts receivable are expected to be fully collectible at June 30, 2014, and accordingly, a provision for uncollectible accounts has not been established.

(d) Inventory

Inventory is accounted for at the lower of cost or market. Cost is determined using the weighted average method.

(e) Investments

Investments are recorded at their fair value.

(f) Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(f) Capital Assets

Capital assets, which include land, buildings, improvements, fixtures, equipment, and infrastructure assets (such as roads and bridges, which are normally immovable and of value only to the State) are reported in the Department's financial statements.

Capital assets are defined by the State as assets with an initial individual cost of more than $25,000 at the date of acquisition and an estimated useful life in excess of one year. It is the policy of the Department, with the exception of DTC, to capitalize all buildings and land regardless of cost, improvements to land and buildings when the cost of projects exceed $100,000, and to capitalize infrastructure when the cost of individual items or projects exceeds $1,000,000. Such assets are recorded at historical cost, or estimated historical cost, if original cost is not determinable. Donated capital assets are recorded at estimated fair market value at the time of the donation. Buildings, improvements, fixtures, and equipment are depreciated on a straight-line basis.

Capital assets are defined by DTC as all assets purchased with State and federal grant funds, as well as any asset with a cost greater than $5,000 purchased with operating funds.

For assets not part of infrastructure, the costs of normal preservation, maintenance, and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

For infrastructure, the State uses the "modified approach" to account for roads and bridges, as provided by Governmental Accounting Standards Board (GASB) No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments.* Under this process, the Department does not record depreciation expense nor are amounts expended in connection with improvements to these assets capitalized, unless the improvements expand the capacity or efficiency of an asset. Utilization of this approach requires the Department to: (1) commit to maintaining and preserving affected assets at or above a condition level established by the Department, (2) maintain an inventory of the assets and perform periodic condition assessments to ensure that the condition level is being maintained, and (3) make annual estimates of the amounts that must be expended to maintain and preserve assets at the predetermined condition levels.

The Department maintains two asset management systems, one for the roads and one for the bridges. In addition, the Department completes condition assessments on its roads and bridges at least every three years.

Buildings, improvements, fixtures, and equipment other than those associated with service concession agreements are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	5 - 40 years
Revenue vehicles	4 - 25 years
Service vehicles and equipment	3 - 20 years
Communication equipment	10 - 40 years
Furniture and fixtures	3 - 10 years
Bus signs and shelters	10 years

(h) Compensated Absences

Compensated absences are absences for which Department employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Department and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Department and its employees are accounted for in the period in which such services are rendered or such events take place.

(i) Line of Credit

The TTF has a line of credit agreement with PNC Bank for $50,000,000 that matures November 2016. There were no borrowings against the line at June 30, 2014. The line bears interest on the amount that has been advanced from time to time pursuant to the bank loan agreements for the 2014 fiscal year ended the rate is equal to 0.63%.

(j) Customer Fares

Customer fares are recorded as revenue at the time services are provided to passengers.

(k) Bond Issue Premiums/Discounts

Amortization of bond issue premiums/discounts is provided using the straight-line method over the life of the bond issue. Net amortization resulted in $5,933,923 of reductions of interest expense in 2014.

(l) Revenues and Expenses

The Department defines non-operating revenues as federal grant revenue, investment income, and collections on loans previously written off. Pledged revenue represents taxes, fees, and investment income committed to repayment of revenue bonds. All other revenues are derived from normal operations of the Department. Non-operating expenses are defined as grant expenses and interest expense. All other expenses are a result of normal operations.

(m) Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources are defined as consumption of net assets by the government that is applicable to future reporting periods. Deferred inflows of resources are defined as acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows increase net position, similar to assets and deferred inflows decrease net position, similar to liabilities.

For the component of deferred outflows of resources, the TTF has a loss on refunding of debt for $22,823,445.

For the component of deferred inflows of resources, the TTF has a service concession arrangement for $22,100,000 with a net carrying value of $19,574,286 as of June 30, 2014.

(n) New Accounting Standards Adopted

During fiscal year ending June 30, 2014, the Department adopted GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Concepts Statement No. 4, Elements of Financial Statements, introduced and defined the elements included in financial statements, including deferred outflows of resources and deferred inflows of resources. Statement No. 65 amends the financial statement element classification of certain items previously reported as assets and liabilities to be consistent with the definitions in GASB Concepts Statement No. 4. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The adoption of Statement No. 65 resulted in the write off of bond issuance costs resulting in restatement of fiscal year 2013 net assets of $2,380,684 for TTF. Fiscal year 2013 amounts have not been restated because the Department has presented single year financial statements. In addition TTF, reclassified the bond refunding loss of $22,823,445 as a deferred outflow resources to be amortized over the life of the debt.

(o) Summarized Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Department's financial statements for the year ended June 30, 2013 from which the summarized information was derived.

(3) Cash and Investments

(a) Cash Management Policy and Investment Guidelines

The policy for the investment of Department funds is the responsibility of the Cash Management Policy Board (the Board). The Board, created by State law, establishes policies for, and the terms, conditions, and other matters relating to, the investment of all money belonging to the Department. Under the Board's *Statement of Objectives and Guidelines for the Investment of State of Delaware Funds* (the Policy), all deposits and investments of the Department are categorized as "Authority Accounts." Investments of the Department are further restricted to "Qualified Investments" as defined in the Trust Agreement.

As defined by the Policy, the investment objectives of Authority Accounts include maximizing yield and maintaining the safety of principal. At June 30, 2014 and 2013, investments of the Department are primarily in U.S. government securities, U.S. government agency securities, and commercial paper rated in the highest rating category by either Moody's or Standard & Poor's. All of these meet the objectives defined by the Policy and are Qualified Investments in accordance with the Trust Agreement. The Policy is available on the internet at http://delcode.delaware.gov/title29/c061 /index.shtml.

(b) Custodial Credit Risk

Deposits

The Department's cash and cash equivalents held at external financial institutions at June 30, 2014 were $73,471,579, and the bank balances were $74,422,194. The differences between bank balances and carrying amounts resulted from outstanding checks and deposits in transit. Of the bank balance, $73,991,902 was covered by federal depository insurance or by collateral held by the Department's agent, in the Department's name, at June 30, 2014. The remaining bank balances of $430,292 were neither insured nor collateralized at June 30, 2014.

As of June 30, 2014, the Department also had $14,355,895, held by the State of Delaware Treasurer's Office in Dover, Delaware. The Treasurer's Office controls these funds and any investment decisions are made by the Treasurer's Office. The Treasurer's Office pool includes deposit accounts and short- and long-term investments. The deposits held in the State Treasurer's investment pool are allocated to the Department, but the custodial credit risk cannot be categorized for these deposits.

Investments

Investments of the Department are stated at fair value. At June 30, 2014, all of the Department's investments were insured or registered, with securities held by the Department or the counterparty in the Department's name.

(c) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the value of an investment. The Pol icy provides that maximum maturity for investments in Department accounts, at the time of purchase, shall not exceed 10 years, except when it is prudent to match a specific investment instrument with a known specific future liability, in which case the maturity limitation shall match the maturity of the corresponding liability.

The following table presents a listing of directly held investments and related maturities at June 30, 2014

		Investment Maturities (in Years)		
	Fair Value	**Less Than 1**	**1 - 5**	**6 - 10**
Investment Type				
Bank of Montreal	$ 825,074	$ 825,074	$ -	$ -
U.S. Government Securities	42,843,875	3,955,628	20,131,039	18,757,208
U.S. Government Agency Securities	121,935,033	77,402,408	20,889,879	23,642,746
Commercial Paper	70,290,859	67,531,909	2,758,950	-
Total Investments	$ 235,894,841	$ 149,715,019	$ 43,779,868	$ 42,399,954

Of the total investments, $203,818 represents DelDOT fund investments.

(d) Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Department follows the Policy and the Trust Agreement by investing only in authorized securities. The Department's general investment policy for credit risk is to apply the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments.

In addition, the Trust Agreement limits investments in commercial paper to those with a Moody's rating of P-1 or a Standard & Poor's rating of A- 1 for short-term investments. The Department had investments in commercial paper of $70,290,859 at June 30, 2014. All commercial paper held matures within five years and is rated in accordance with the Trust Agreement. The investments in U.S. Government and Government Agency Securities are rated at Aaa with Moody's and AA+ with Standard & Poor's.

(e) Investments in Excess of 5%

Concentration of credit risk is the risk of loss attributed to the magnitude of the Department's investments in a single issuer (5% or more of total investments). When investments are concentrated in one issuer, this concentration represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The investments in obligations explicitly guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure.

The Policy provides that the purchase of securities cannot exceed the following percentage of account limitations, valued at market. Investments due to mature in one business day may be excluded from the computation of said limitations.

A. U.S. government - no restrictions.
B. Government agency - 50% total; 20% in any one agency.

C. Certificates of deposit, time deposits, and bankers acceptances - 50% total; 5% in any one issuer.

    1. Domestic - No additional restrictions.

    2. Nondomestic - 25%, 5% in any one issuer.

    3. Delaware domiciled - Not more than the lesser of $10 million or 25% of an issuer's total equity capital may be invested in any one issuer. (Investments due to mature in one business day may be excluded from the computation of this percentage.)

D. Corporate debt - 50% total; 25% in any one industry; 5% in any one issuer, 5% of any issuer's total outstanding securities.

    I. Domestic - No additional restrictions.

    2. Nondomestic - 25%; 5% in any one issuer.

E. Repurchase agreements - 50% total.

F. Reverse repurchase agreements - 25% total.

G. Money market funds - 25% total; 10% in any one fund except for the Cash Account, which may invest 100% of the account in the Delaware Local Government Investment Pool (DELGIP) Fund. The Investment Guidelines for the DELGIP Fund are defined in Appendix B of the Policy.

H. Canadian treasuries - 25% total; 10% in any one agency.

I. Canadian agency securities - 25% total; 10% in any one agency.

J. Mortgage-backed and asset-backed securities - 10% total (when combined with asset-backed securities and trust certificates, if applicable).

K. Municipal obligations - 5% in any one issuer.

L. Guaranteed investment contracts - Permitted where it is prudent to match a specific investment instrument with a known specific future liability, subject to credit quality guidelines for commercial paper and corporate bonds and debentures and with adequate exit provisions in the event of the future downgrade of the issuer.

M. Asset-backed securities and trust certificates - 10% total (when combined with mortgage backed and asset-backed securities, if applicable).

The following issuers have investment at fair value in excess of 5% of the investment portfolio at June 30, 2014

Federal Home Loan Mortgage Corporation	$	77,786,280	33%
United States Treasury		42,843,875	18%
Federal National Mortgage Association		30,504,061	13%

(f) Investment Commitments

The Department has made no investment commitments as of June 30, 2014.

(4) Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 283,875,945	$ 4,736,145	$ -	$ 288,612,090
Infrastructure	3,670,250,132	53,424,805	-	3,723,674,937
Other buildings and improvements	-	22,100,000		22,100,000
Construction-in-Progress	3,140,333	33,891,204	(2,944,999)	34,086,538
Total Capital Assets Not Being Depreciated	3,957,266,410	114,152,154	(2,944,999)	4,068,473,565
Capital Assets Being Depreciated				
Building and Improvements	109,638,374	9,571,418	(579,390)	118,630,402
Furniture, vehicles, and equipment	268,899,951	39,520,454	(11,944,375)	296,476,030
Subtotal	378,538,325	49,091,872	(12,523,765)	415,106,432
Less: Accumulated Depreciation:				
Building and Improvements	34,366,840	6,805,559	-	41,172,399
Furniture, vehicles, and equipment	146,323,815	26,437,415	(2,660,241)	170,100,989
Subtotal	180,690,655	33,242,974	(2,660,241)	211,273,388
Total Capital Assets Being Depreciated, Net	197,847,670	15,848,898	(9,863,524)	203,833,044
Total Capital Assets, Net	$ 4,155,114,080	$ 130,001,052	$ (12,808,523)	$ 4,272,306,609

Depreciation expense for fiscal year 2014 was $33,242,974.

(5) Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	$ 1,023,505,000	$ 108,760,000	$ (193,210,000)	$ 939,055,000	$ 77,655,000
General Obligation Bonds	246,292	-	(142,866)	103,426	103,426
Bond Issue Premiums, Net of Accumulated Amortization	55,690,042	15,983,075	(5,933,923)	65,739,194	6,823,880
Insurance Loss Reserve	9,847,000	4,550,086	(2,386,086)	12,011,000	2,427,420
Post-Employment Benefits	168,276,966	37,826,907	(11,600,000)	194,503,873	-
Pollution Remediation Obligations	4,004,700	-	(493,200)	3,511,500	1,280,000
Compensated Absences	14,227,260	237,313	(2,197,978)	12,266,595	1,787,132
Long-Term Liabilities	$ 1,275,797,260	$ 167,357,381	$ (215,964,053)	$ 1,227,190,588	$ 90,076,858

(6) General Obligation Bonds Outstanding

General obligation bonds outstanding at June 30, 2014 are detailed as follows:

Sale #	Description and Interest Rates	Maturity Date (Fiscal Year)	2014
194	GO 2005B, 5.00%	2015	$ 103,426
			103,426
		Less current portion	103,426
			$ -

The general obligation bonds are direct obligations of the State and are secured by the full faith and credit of the State. Only that portion of the bonds attributable to the Department has been reflected in these financial statements.

The annual requirement to amortize all general obligation bonds payable as of June 30, 2014 was as follows:

Year Ending June 30,	Principal Maturity	Interest maturity	Total
2015	$ 103,426	$ 4,137	$ 107,563

(7) Revenue Bonds Outstanding

Date of Issue/Maturity	Amount of Original Issue	Description and Fixed Interest Rates	Bonds Outstanding at 6/30/2014
Senior Bonds			
2003/2023	277,210,000	Transporation System Senior Revenue Bonds, 2003, 5.00%	$ 18,090,000
2004/2024	167,550,000	Transporation System Senior Revenue Bonds, 2004, 4.00% - 5.00%	9,620,000
2005/2025	150,000,000	Transporation System Senior Revenue Bonds, 2005, 4.25% - 5.00%	15,450,000
2006/2026	127,445,000	Transporation System Senior Revenue Bonds, 2006, 3.50% - 5.00%	44,620,000
2007/2021	87,890,000	Transporation System Senior Revenue Bonds, 2007A, 4.00% - 5.00%	56,095,000
2008/2028	84,720,000	Transporation System Senior Revenue Bonds, 2008A, 4.00% - 5.00%	64,400,000
2008/2029	117,875,000	Transporation System Senior Revenue Bonds, 2008B, 4.00% - 5.00%	101,995,000
2009/2029	105,315,000	Transporation System Senior Revenue Bonds, 2009A, 5.00%	96,250,000
2010-2019	47,715,000	Transporation System Senior Revenue Bonds, 2010A, 4.00% - 5.00%	36,960,000
2010-2030	72,120,000	Transporation System Senior Revenue Bonds, 2010B, 3.95% - 5.80%	72,120,000
2012/2024	222,870,000	Transporation System Senior Revenue Bonds, 2012, 3.00% - 5.00%	220,625,000
2014/2024	108,760,000	Transporation System Senior Revenue Bonds, 2014, 2.25% - 5.00%	108,760,000
Garvee Bonds			
2010/2025	113,490,000	Transporation System Grant Anticpation Bonds 2010 Series, 3.00% - 5.00%	94,070,000
		Total Bonds Payable	939,055,000
		Less: Current Portion	77,655,000
		Long Term Portion	$ 861,400,000

The State has pledged turnpike, motor fuel tax, and motor vehicle fee revenues to the Trust Fund in order to support repayments of revenue bonds. Proceeds from the revenues bonds were used to finance the infrastructure maintenance, preservation, and construction-related projects of the State's highway transportation system, as well as security for the repayment of the outstanding revenue bonds of the Authority.

The revenue bonds do not constitute a debt of the State or of any political subdivision thereof, or a pledge of the general taxing power or the faith and credit of the State or of any such political subdivision.

Annual principal and interest payments on the revenue bonds are expected to require less than 35% of pledged revenues. Principal and interest paid on the revenue bonds for the year ended June 30, 2014 was $122,342,908.

The Transportation System Senior Revenue Bonds have fixed interest rates and are limited obligations of the Authority secured only by the pledged revenues of the Trust Fund. The pledged revenues of the Authority were as follows at June 30:

	2014
Pledged operating revenues	$ 399,665,669
Investment income	2,257,110
	401,922,779

The Transportation System GARVEE Bonds have fixed interest rates and are limited obligations of the Authority secured by and payable solely from the annual federal appropriation for the State's federal aid transportation projects. On average, the State has been apportioned approximately $160 million in federal highway aid annually over the past five fiscal years. At that level, principal and interest payments on the GARVEE Bonds are expected to require approximately 6.5% of pledged federal highway aid annually. While the Authority believes that sufficient pledged federal highway aid will be available during the term of the bonds to meet all required principal and interest payments, various factors beyond the Authority's control may impact the ability to make al l payments when due, including, but not limited to, subsequent reauthorizations of federal highway aid and federal budgetary l imitations.

The Authority had a total of $235,628,520 in authorized but unissued revenue bonds and includes $11,200,000 in GARVEE bond authorization at June 30, 2014 to fund a portion of the Department of Transportation Capital Improvement Program.

The annual requirement to amortize all revenue bonds payable as of June 30, 2014 was as follows:

Year Ending June 30,	Principal Maturity	Interest Maturity	Total
2015	$ 77,655,000	$ 41,466,644	$ 119,121,644
2016	72,580,000	39,767,858	112,347,858
2017	70,595,000	36,317,308	106,912,308
2018	69,880,000	32,895,008	102,775,008
2019	73,945,000	29,336,333	103,281,333
2020-2025	351,360,000	93,874,431	445,234,431
2026-2030	215,830,000	16,160,512	231,990,512
2031-2033	7,210,000	-	7,210,000
	$ 939,055,000	$ 289,818,094	$ 1,228,873,094

On May 9, 2014, the Trust Fund issued $108,760,000 of Transportation System Senior Revenue Bonds, 2014 Series, to provide for an advance refunding of the following Transportation System Senior Revenue Bonds:

2004 Series	$ 35,525,000
2005 Series	30,810,000
2006 Series	51,670,000
	$ 118,005,000

The refunding was undertaken to reduce the total future debt service payments. The transaction resulted in an economic gain of $7,705,616, a reduction of $9,046,111 in future debt service payments, and a loss on refunding of bonds of $8,089,500.

(8) Debt Defeasance

The Authority has defeased various bond issues by creating separate irrevocable trust funds. New debt had been issued and the proceeds had been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures.

For financial reporting purposes, the debt is considered defeased, and therefore, not reported as a liability. As of June 30, 2014, the amount of defeased debt outstanding amounted to $297,475,000.

(9) Restricted Net Position

Restricted Net Position was as follows at June 30, 2014:

		2014
Pension Funds:		
Prepaid DTC pension Contribution	$	3,707,985
Rebate Funds:		
Amounts generated from Operations to meet future Arbitrage rebate requirements		365,296
Debt Service Funds:		
Amounts generated from Operations required by the Trust Agreement to be provided to meet current principal and interest payments		92,148,699
Debt Reserve Funds:		
Amounts generated from Operations required by the Trust Agreement to be provided as a reserve for future principal and interest payments		64,071,930
Highway Beautification Funds:		
Amounts held intrust to be used for highway beautification		212,702
Total Restricted Net Position	$	160,506,612

(10) International Registration Plan

The Department participates in the International Registration Plan (IRP) pursuant to Section 4008 of the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1997. ISTEA requires jurisdictions to join base state agreements for the collection and distribution of commercial vehicle registration fees. IRP is an agreement among member jurisdictions whereby commercial registration fees are collected and re- allocated based on a proration of miles traveled in each jurisdiction.Net revenues recorded during fiscal year 2014 were $9,342,466. IRP fees are included in motor vehicle registration fee revenue.

(11) International Fuel Tax Agreement

The Department participates in the International Fuel Tax Agreement (IFTA). IFTA is an agreement among member jurisdictions whereby commercial license fees are collected and re-allocated based on a proration of miles traveled in each jurisdiction. Net revenues recorded during fiscal years 2014 were $2,372,142.

(12) DTC Union Contracts

Operators and maintenance personnel of the North District Fixed Route System are represented by the Amalgamated Transit Union AFL-CIO, Local 842. The term of the current Collective

Bargaining Agreement covers the period starting March 1, 2002 through November 30, 2007.

Paratransit Specialists statewide and South District Fixed Route Operators are also represented by the Amalgamated Transit Union AFL-CIO, Local 842, under a separate Collective Bargaining Agreement. The term of the current Collective Bargaining Agreement covers the period July 1, 2003 through June 30, 2008.

During January 2013, due to an arbitration award between the Delaware Transit Corporation and Amalgamated Transit Union AFL-CIO, Local 842, the previously mentioned collective bargaining agreements were amended for a three year term, effective September 1, 2010 through August 31, 2013.

As of the expiration of the arbitration agreement through the report date of the financial statements, DTC is still negotiating terms for a new contract with the Amalgamated Transit Union, Local 842, AFL-CIO.

Certain administrative, operations, and maintenance personnel are represented by the Office and Professional Employee International Union, Local 32, AFL-CIO. The term of the current Collective Bargaining Agreement is from January 1, 2007 through December 31, 2009. DTC is still negotiating terms for a new contract with the Professional Employee International Union, Local 32, AFL-CIO.

(13) Pension Plan

With the exception of DTC (See Note 13A), the Department's full-time employees are covered by the State Employees' Pension Plan. The State Employees' Pension Plan is a cost sharing multiple employer defined benefit plan. The Department's contribution was 21.02%, 20.28%, and 18.76% of employee's salary for fiscal years 2014, 2013, and 2012, respectively. Employees hired prior to January 1, 2012 contribute 3% of salary in excess of $6,000 and employees hired after that date, contribute 5% of salary in excess of $6,000. Pension costs were $14,707,045, $13,950,289, and $13,281,013 for fiscal years 2014, 2013, and 2012, respectively. The pension costs were included in the accompanying financial statements for fiscal year 2014. An employee's pension rights are vested after five consecutive years of services.

The State does not maintain the Plan information by agency, and therefore, the Department's portion of the Plan's net assets available for benefits, percentage of annual pension cost contributed, and the actuarial present value of vested and non-vested accumulated Plan benefits is not readily determinable.

Detailed information concerning the State of Delaware "State Employees' Pension Plan" is presented in its publicly available annual basic financial statements, which can be obtained by writing the State Board of Pension Trustees and Office of Pensions, McArdle Building, Suite 1, 860 Silver Lake Blvd., Dover, DE 19904-2402.

A. DTC

(a) Plan Descriptions

DTC contributes to the Delaware Transit Corporation Pension Plan, with participation limited to full-time, nonunion salaried employees; and the Contributory Pension Plan, for all full-time members of Local 842, Amalgamated Transit Union and Local 32, Office and Professional Employee International Union both of which are single-employer defined benefit pension plans. Each plan provides retirement, disability, and death benefits to plan members and beneficiaries. Each plan issues a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing or calling DTC at its Dover office.

(b) Funding Policy and Annual Pension Cost

The trustees of each plan establish and may amend the contribution requirements of plan members and DTC. The most recent information available for DTC's annual pension cost and related information for each plan are as follows:

Schedule of Annual Pension Cost, Actuarial Methods and Assumptions
(Expressed in Dollars)

Plan	DTC Pension Plan	Contributory Pension Plan
Contribution Rates:		
Employer	8.70%*	5.00%
Participants	3.00%	5.00%
Annual Pension Cost	$ 1,156,145	$ 853,917
Contributions Made	$ 1,156,072	$ 1,249,884
Actuarial Valuation Date	07/01/13	01/01/14
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Open Level Dollar	Open Level Percentage
Remaining Amortization Period	20	15
Asset Valuation Method	Five-Year Smoothed Marke	Five-Year Smoothed Market
Actuarial Assumptions:		
Investment Rate of Return	7.50%	7.00%
Projected Salary Increases	2.50%	4.00%

Note: Effective July 1, 2012, an amendment was made to the DTC Pension Plan which states that any eligible employee who participates in the Plan shall make after-tax contributions in the amount equal to 3% of their eligible compensation in excess of $6,000.

* Actuarially determined

DTC's annual pension cost and net pension obligation to the DTC Pension Plan and Contributory Pension Plans were as follows:

	Total	DTC Pension Plan 06/30/14	Contributory Pension Plan 12/31/2013
For the year ended:			
Annual Required Contribution (ARC)	$ 1,929,275	$ 1,156,145	$ 773,130
Interest on Net Pension Obligation (NPO)	(239,466)	-	(239,466)
Actuarial adjustment	320,253	-	320,253
Annual Pension Cost (APC)	$ 2,010,062	$ 1,156,145	853,917
Less: actual contributions	(2,405,956)	(1,156,072)	(1,249,884)
Decrease in NPO	$ (395,894)	$ 73	(395,967)
Net pension obligation (asset),			
Beginning of the year	(3,312,091)	108,847	(3,420,938)
End of the year	$ (3,707,985)	$ 108,920	$ (3,816,905)

	Total	6/30/2013	12/31/2012
For the year ended:			
Annual Required Contribution (ARC)	1,677,203	962,682	714,521
Interest on Net Pension Obligation (NPO)	301,113	-	292,950
Actuarial adjustment	(227,213)	-	(219,050)
Annual Pension Cost (APC)	1,751,103	962,682	788,421
Less: actual contributions	$ (2,043,321)	$ (963,253)	$ (1,080,068)
Increase (decrease) in NPO	(292,218)	(571)	$ (291,647)
Net pension obligation (asset),	(3,019,873)	109,418	(3,129,291)
liablity end of the year	$ (3,312,091)	$ 108,847	$ (3,420,938)

For each of the plans, the following table shows DTC's contributions made, the annual pension cost, the percentage of the annual pension cost contributed to the plan, and the net pension plan asset (obligation):

Three-Year Trend Information

	Plan Year Ended		Contribution Made		Annual Pension Cost (APC)	Percent Of APC Contributed		Net Pension Asset (Liability)
DTC Pension Plan	6/30/2014	$	1,156,072	$	1,156,145	100.00%	$	(108,920)
	6/30/2013		963,253		962,682	100.00%		(108,847)
	6/30/2012		996,777		996,827	100.00%		(109,418)
Contributory Pension Plan	12/31/2013	$	1,249,884	$	853,917	146.37%	$	3,816,905
	12/31/2012		1,080,068		788,421	136.99%		3,420,938
	12/31/2011		1,073,948		658,363	163.12%		3,129,291

The following is the funded status information for each plan as of the most recent actuarial valuation date:

	Actuarial Valuation Date		Actuarial Value of Assets (a)		Actuarial Accrued Liability (AAL) (b)		Excess (Deficit) of Assets Over AAL (a-b)	Funded Ratio (a/b)		Covered Payroll (c)		Deficit as a % of Covered Payroll ((a-b)/c)
DTC Pension Plan	07/01/13	$	17,714,631	$	20,057,791	$	(2,343,160)	88.8%	$	11,308,455	$	(20.7)%
Contributory Pension Plan	01/01/14		37,520,422		37,483,272		(37,150)	100.0%		25,747,945		(0.1%)

The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(14) Other Post-Employment Benefits (OPEB)

With the exception of DTC employees (see Note 14A); the Department's eligible employees are covered under the State of Delaware Other Post- Employment Benefits Fund Trust (the OPEB Trust.)

a. *Plan Description*

On July 1, 2007, the OPEB Trust was established pursuant to Section 115 of the Internal Revenue Code and separate from the Delaware Public Employees' Retirement System (DPERS). The OPEB Trust is administered by the DPERS Board of Directors. Policy for and management of the OPEB benefits provided to retirees are the responsibility of the State. No stand-alone financial report is issued for the OPEB Trust, but the OPEB Trust is included in the Statewide Comprehensive Annual Financial Report, which will be available from the Division of Accounting.

The OPEB Trust is a single-employer defined benefit plan. The OPEB Trust provides retirement medical coverage to pensioners and their eligible dependents in the State Employees', Judiciary, New State Police, and Closed State Police pension plans.

Membership of the Plan consisted of the following at June 30, 2014:

Retirees and Beneficiaries Receiving Benefits	20,411
Terminated Plan Members Entitled to But Not Yet Receiving the Benefits	1,942
Active Eligible Plan Members	36,562
Total	58,915

The Department has approximately 1,700 active eligible Plan members, which is the basis on which Plan costs are allocated.

Substantially all of the State's employees become eligible for post-retirement benefits if they reach retirement age while working for the State. The costs of providing these benefits are shared between the State and the retired employee. The Plan provisions are as follows:

Eligibility

Early Retirement:
Age 55 with 15 years of service or any age with 25 years of service

Normal Retirement:
Age 62 with 5 years of service or age 60 with 15 years of service or any age with 30 years of service

Benefits

During the fiscal years ended June 30, 2014 and 2013, the State provided health insurance options through several providers.

Spouse and Survivor Coverage

Both are available under any of the plan options with similar retiree contributions.

Employee Contributions

If hired prior to July 1, 1991, no contributions are required. If hired on or after July 1, 1991 (except disability pension), contributions depend on years of service, as follows:

Years of Service	Percent of Premium Paid by State
Less than 10	0%
10 - 14	50%
15 - 19	75%
20 or more	100%

b) Funding Policy

The State funds the OPEB Trust for current retirees on a pay-as-you-go basis along with funding for future benefits at a rate that is approved in the annual budget, but not actuarially determined. Additional funding has also been provided on an ad hoc basis. By State statute Title 29 of the Delaware Code c.52, contribution requirements of Plan members and the government are established and may be amended by the State Legislature. Funds are recorded in the OPEB Trust for the payment of retiree healthcare claims and administrative and investment expenses. Administrative costs are financed through investment earnings. State appropriations, other employer contributions, and retiree contributions for healthcare are recorded in the OPEB Trust financial statements. The funds available are invested under the management of the DPERS Board of Pension Trustees, which acts as the Board of Trustees for the OPEB Trust and is responsible for the financial management of the OPEB Trust.

(c) Contributions

The contribution rates for the employer and retiree are established annually by the budgeting process of the State. Those rates include an employer contribution based on projected pay-as-you-go financing requirements as a percentage of covered payrolls, with an additional amount to pre-fund benefits, which is not actuarially determined. For fiscal year 2014, the State contribution in relation to the annual required contribution of the employer (ARC) totaled $202.6 million.

The portion of the contribution allocated to the Department for fiscal year 2014 was $10.3 million.

Retiree contribution rates are affected by the retiree date of hire, with eligible retirees hired after June 30, 1991 paying a proportionately higher rate if their years of service total less than 20. Retiree contributions for health coverage during fiscal year 2014 totaled $8.1 million.

(d) Annual OPEB Cost and Net OPEB Obligation

The State's annual OPEB cost is calculated based on the ARC, an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of 30 years. Amounts "required" but not actually set aside to pay for these benefits are accumulated as part of the net OPEB obligation. The following table shows the components of the State's annual OPEB cost for the year, the amount actually contributed to the Plan, and the State's net OPEB obligation, as well as the amounts allocated to the Department:

	(in Millions)	
	State Total	**Department Allocation**
Net OPEB Obligation as of June 30 2012	$ 1,581.4	$ 82.6
Annual Required Contribution	397.8	20.6
Interest on Net OPEB Obligations	67.5	3.5
Adjustment to Annual Required Comntribution	(61.3)	(3.2)
Annual OPEB Cost	1,985.4	103.5
Employer Contributions	(208.0)	(10.7)
Net OPEB Obligation as of June 30, 2013	$ 1,777.4	$ 92.8
Net OPEB Obligation as of June 30 2013	$ 1,777.4	$ 92.8
Annual Required Contribution	406.7	20.7
Interest on Net OPEB Obligations	75.9	3.9
Adjustment to Annual Required Comntribution	(68.8)	(3.5)
Annual OPEB Cost	2,191.2	113.9
Employer Contributions	(202.6)	(10.3)
Net OPEB Obligation as of June 30, 2014	$ 1,988.6	$ 103.6

The Department's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation are as follows (dollar amounts in millions):

Fiscal Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	$ 113.9	9%	$ 103.6
6/30/2013	103.5	10%	92.8
6/30/2012	92.5	11%	82.6

(e) Funded Status and Funding Progress

As of June 30, 2014, the most recent actuarial valuation date, the Plan was 4.9% funded. The actuarial accrued liability for benefits was $5,946.0 million, and the actuarial value of assets was $290.0 million, resulting in an unfunded actuarial accrued liability (UAAL) of $5,656.0 million for the State. The covered payroll (annual payroll of active employees covered by the Plan) was $2,038.0 million, and the ratio of the UAAL to the covered payroll was 277%. Specific amounts related to the Department cannot be determined.

Actuarial valuations of an ongoing Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the A RC are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the OPEB Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that poi nt. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2014 actuarial valuation, the entry age normal actuarial cost method was used. Investments are valued at fair value. The actuarial assumptions included a 4.25% investment rate of return, which is a blended rate of the expected long-term investment returns on plan assets and on the State's own investments calculated based on the funded level of the plan at the valuation date, and an initial medical inflation rate of 4.25%. The UAAL is being amortized as a level percentage of projected payroll on a level percent open basis over 30 years using a 3.25% rate of salary increase.

A. DTC

(1) Plan Description

In June 2010, the Delaware Transit Corporation OPEB Fund Trust (OPEB Trust) was established pursuant to Section 115 of the Internal Revenue Code. The OPEB Trust is administered by

DTC. Policy for and management of the OPEB Trust provided to retirees are the responsibility of DTC. No stand-alone financial report is issued for the OPEB Trust.

The DTC OPEB Trust is a single-employer, defined benefit plan. The DTC OPEB Trust provides retirement medical insurance coverage to employees who retire and their eligible dependents. DTC has elected to assume the OPEB Trust liability on behalf of all of its employees.

Membership of the plan consisted of the following at June 30, 2014:

Retirees and Beneficiaries Receiving Benefits	193
Terminated Plan Members Entitled to But Not Yet Receiving the Benefits	55
Active Eligible Plan Members	810
Total	1,058

Substantially all DTC employees become eligible for post-retirement benefits if they reach retirement age while working for DTC. The plan provisions are as follows:

Eligibility

Contract employees:

Age 65 with five years of service or after attaining 25 years of service

Noncontract employees:

Age 55 with 10 years of service or age 62 with five years of service

Benefits

During the fiscal year ended June 30, 2014, DTC provided health insurance options through several providers.

Spouse and Survivor Coverage

Surviving spouses of participants are allowed access to the plan and receive the same subsidy as retirees.

(2) Funding Policy

DTC funds the OPEB Trust on a pay-as-you-go basis with additional funding provided in the

OPEB Trust on an ad-hoc basis. Funds are recorded in the OPEB Trust for the payment of retiree healthcare claims and administrative and investment expenses. Administrative costs are financed through investment earnings. Employer contributions and retiree contributions for healthcare are recorded in the OPEB Trust. The funds available are invested under DTC's management, which acts as the Trustee for the OPEB Trust and is responsible for the financial management of the OPEB Trust. The cash basis costs associated with these benefits was $1,287,600 and $1,193,708 for the years ended June 30, 2014 and 2013, respectively.

(3) Contributions

DTC subsidizes the medical premium. The subsidized percentage is 90% of published rates for retirees less than age 65 and 100% for retirees age 65 or greater. DTC subsidizes 100% of the dental and vision coverage for noncontract employees. Contract employees are allowed access to dental and vision coverage, but must pay the full premium. Life insurance is provided to retirees. Retirees under age 70 receive $6,000 in coverage. Once the participant reaches age 70, the coverage drops to $5,000. DTC must pay $0.23 per month per $1,000 of coverage for each employee.

(4) Annual OPEB Cost and Net Obligation

DTC's annual OPEB cost is calculated based upon the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with GAAP. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. Amounts "required" but not actually contributed to pay for these benefits are accumulated as part of the net OPEB obligations. The following table shows the components of DTC's annual OPEB cost for fiscal year 2014 and the preceding year, the amount actually contributed to the plan, and DTC's net OPEB obligation:

Net OPEB obligation at June 30, 2012	$ 61,020,848
Annual Required Contribution (ARC)	16,072,000
Interest on Net OPEB obligation	2,434,000
Adjustment to Annual Required Contribution	(2,835,000)
Net OPEB obligation before Contributions	76,691,848
Contributions Made	(1,193,708)
Net OPEB obligations at June 30, 2013	$ 75,498,140

Net OPEB obligation at June 30, 2013	$ 75,498,140
Annual Required Contribution (ARC)	17,371,000
Interest on Net OPEB obligations	2,992,000
Adjustment to Annual Required Contribution	(3,615,000)
Net OPEB obligation before Contributions	92,246,140
Contributions Made	(1,287,600)
Net OPEB obligations at June 30, 2014	$ 90,958,540

DTC's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Fiscal Year Ended	Cost	Contributed	Obligation
2014	$ 16,748,000	7.69%	$ 90,958,540
2013	15,671,000	7.62%	75,498,140
2012	17,074,000	6.84%	61,020,848

(5) *Funded Status and Funding Progress*

As of July 1, 2013, the most recent actuarial valuation date, the plan was 1.4% funded. The actuarial accrued liability was $135,237,000, and the actuarial value of assets was $1,878,000, resulting in an unfunded actuarial accrued liability (UAAL) of $133,359,000. The covered payroll (annual payroll of active employees covered by the plan) was $38,546,221, and the ratio of the UAAL to the covered payroll was 345.97%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(6) Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the OPEB plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013 actuarial valuation, the projected unit credit method was used with linear proration to assumed benefit commencement. The actuarial assumptions included a partially funded 4.0% investment rate of return, 3.0% payroll growth rate, a 2.5% inflation rate, and a healthcare cost trend rate of 8.0% reduced by decrements to 5.9% after 10 years. The ultimate healthcare cost trend rate will remain constant at 4.2% after 2098. The unfunded liability is being amortized as a level percentage of payroll over a 30- year closed amortization period.

(15) Commitments and Contingencies

(a) Construction Commitments

The Department had contractual commitments of $304,915,423 for construction of various highway projects at June 30, 2014. Current and future appropriations will fund these commitments as work is performed.

(b) Litigation

The Department is involved in various legal actions arising in the normal course of business. In the opinion of management, such matters will not have a material effect upon the financial position of the Department.

(c) Other

At June 30, 2014, DelDOT was engaged in emergency repairs to the Interstate 495 roadway in Wilmington, Delaware. Estimates to complete the repair are in the range of $35 to $40 million, with the Federal Government paying 100% of temporary repairs completed in the first 180 days since closure, and 90% of permanent repairs or costs incurred after 180 days. At June 30, 2014, DelDOT had paid $6.4 million of $6.7 million of costs incurred with $2.0 million in Emergency Funding appropriated from the Federal Government in early June. An additional $33.0 million in Federal Emergency funding was appropriated on August 8, 2014. The permanent repairs to the roadway are expected to be complete by the end of December, 2014.

(d) Pollution Remediation

GASB 49 provides guidance for state and local governments in estimating and reporting the potential costs of pollution remediation. While GASB 49 does not require the Department to search for pollution, it does require the Department to reasonably estimate and report a remediation liability when any of the following obligating events has occurred:

a. Pollution poses an imminent danger to the public and the Department is compelled to take action;

b. The Department is in violation of a pollution-related permit or license;

c. The Department is named or has evidence that it will be named as a responsible party by a regulator;

d. The Department is named or has evidence that it will be named in a lawsuit to enforce a cleanup; or

e. The Department commences or legally obligates itself to conduct remediation activities.

The Department becomes aware of pollution conditions in the fulfillment of its mission, and site investigation, planning and design, cleanup, and site monitoring are typical remediation activities of the Department. The Department has the knowledge and expertise to estimate the remediation obligations presented herein based upon prior experience in identifying and funding similar remediation activities. GASB 49 requires the Department to calculate pollution remediation liabilities using the expected cash flow technique. Where the Department cannot reasonably estimate a pollution remediation obligation, it does not report a liability; however, the Department has not identified any of these situations.

The remediation obligation estimates presented in these financial statements are subject to change over time. Cost may vary due to price fluctuations, changes in technology, changes in potential responsible parties, results of environmental studies, changes to statutes or regulations, and other factors that could result in revisions to these estimates. Prospective recoveries from responsible parties may reduce the Department's obligation. Capital assets may be created when pollution remediation outlays are made under specific circumstances.

At June 30, 2014, the Department had outstanding pollution remediation liabilities of $3,511,500.

(16) Risk Management

The Department is exposed to various risks of loss related to workers' compensation, healthcare, automobile, and casualty claims. Except as noted below, the Department is a participant in the State of Delaware's Risk Management Program, which covers all claim settlements and judgments out of its General Fund. The Department pays premiums to the General Fund for this coverage.

(a) Workers' Compensation Insurance

DTC maintains coverage for workers' compensation benefits. DTC manages the coverage through both the retention of risk and the purchase of commercial insurance. The payment of workers' compensation claims is processed through a third-party administrator.

For years prior to 2003, DTC would establish a workers' compensation loss reserve based upon the insurance carriers' actuarial reviews. Benefit claims in an amount of $100,000 or less per person, per coverage year are paid by DTC from the workers' compensation loss reserve. Once any claim exceeds $100,000 or total claims for a given policy period exceed the maximum loss amount, the insurance policy covers the excess.

For fiscal year 2003, DTC changed its coverage to a first dollar program. Also, all claims were subject to a $5,000 deductible for the medical portion of a claim. All other expenses related to a claim were covered by the insurance carrier.

Subsequent to fiscal year 2003, DTC changed its coverage and was insured through Liberty Mutual. For fiscal year 2014, the premium was 10.19% of the driver payroll and .35% of the administration payroll. DTC is not responsible for any costs other than the premium paid, thus no loss contingency reserves were established.

(b) Auto Insurance

DTC maintains auto insurance coverage through both the retention of risk and the purchase of commercial insurance. Auto loss reserves that are based upon actuarial reviews were established by DTC.

For years prior to 2003, DTC established auto loss reserves based upon insurance carriers' actuarial reviews. Individual claims in an amount of $100,000 or less per incident, per coverage year were paid from the auto loss reserve funds. Once a specific claim exceeds $100,000 or total claims for a given policy period exceed the maximum loss amount established by the insurance carrier, the insurance policy covers the excess.

For years subsequent to 2003, DTC changed its auto insurance coverage whereby they established self-insured retention thresholds up to certain dollar amounts and purchased commercial insurance (wrap-around) policies for amount of coverage in excess of the self-insured retention thresholds.
DTC established initial loss reserve insurance liabilities for each of the years based upon actuarially determined valuations assuming DTC's maximum liability exposure which currently is $1,000,000 per occurrence (this reflects the sovereign immunity cap pursuant to Title 2 of the Delaware Code, Subsection 1329). DTC had several cases that were settled in excess of the sovereign immunity cap.

For individual claims in excess of the sovereign immunity cap, DTC established a maximum amount of loss based upon their self-insured retention program, as well as purchasing commercial insurance coverage in the amounts identified in the table below:

	Initial Loss Reserve Insurance Liability Established	Loss Under Self Insured Retention Program (Per occurance)	Excess Commercial Coverage (Aggregate)
2014	4,510,000	1,000,000	***
2013	4,304,004	1,000,000	***
2012	3,828,996	1,000,000	***
2011	3,372,000	1,000,000	***
2010	3,467,000	1,000,000	***
2009	3,129,000	900,000	**
2008	3,106,000	900,000	**
2007 (01/15/07-06/30/07)	*	900,000	**
2007 (07/01/06-01/14/07)	2,607,350	2,300,000	5,000,000
2006	2,858,258	2,300,000	5,000,000
2005	2,763,367	2,300,000	5,000,000
2004	2,666,763	1,300,000	6,000,000
2003	2,561,000	1,300,000	10,000,000

*Initial loss reserve established July 1, 2006 in the amount of $2,607,350 for the entire fiscal year.

**For these loss years, DTC is self-insured for the first $900,000, and the next $100,000 is commercial coverage. DTC has no additional coverage beyond this point.

***For these years, DTC is self-insured with no commercial insurance.

The Component of the remaining insurance loss reserve on DTC's statement of net position were as follows at June 30,

	2014	2013
Auto Loss Reserve Remaining for Fiscal Year 2014	$ 3,764,000	$ -
Auto Loss Reserve Remaining for Fiscal Year 2013	4,804,000	3,437,000
Auto Loss Reserve Remaining for Fiscal Year 2012	2,391,000	3,276,000
Auto Loss Reserve Remaining for Fiscal Year 2011	332,000	1,605,000
Auto Loss Reserve Remaining for Fiscal Year 2010	675,000	1,342,000
Auto Loss Reserve Remaining for Fiscal Year 2009	-	47,000
Auto Loss Reserve Remaining for Fiscal Year 2008	41,000	104,000
Auto Loss Reserve Remaining for Fiscal Year 2007	-	32,000
Auto Loss Reserve Remaining for Fiscal Year 2000	4,000	-
Auto Loss Reserve Remaining for Fiscal Year 1999	-	4,000
	$ 12,011,000	$ 9,847,000

Changes in the balances of total claim liabilities during the fiscal years 2014 and 2013 were as follows:

	Beginning balance July 1	Current year estimated claims and changes in estimates	Actual claim payments	Ending balance June 30
Fiscal year:				
2014	9,847,000	4,550,086	(2,386,086)	12,011,000
2013	9,009,000	4,686,013	(3,848,013)	9,847,000

(17) Operating Leases

The Department has several non-cancellable operating leases, primarily for operation and maintenance facilities, which expire at various times through June 29, 2020. Those leases require the Department to pay for maintenance and liability insurance costs. Rental expenses were $228,929 for the year ended June 30, 2014.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 2014 are as follows:

2015	$	260,597
2016		188,747
2017		47,993
2018		1,800
2019		1,800
2020		1,800
Total	$	502,737

DTC had an operating lease agreement for transit vehicle tires, which expired on May 19, 2009. DTC is continuing to operate under the old contract as a new one has not been negotiated yet. The lease agreement requires DTC to make monthly payments based on miles driven multiplied by a mileage rate as set forth in the agreement. The mileage rate is based on contract year and estimated annual vehicle miles. For the years ended June 30, 2014, DTC incurred expenses related to this lease of $379,063.

(18) Transfers in From and Out to Other Funds

Per the terms of the Trust Agreement, the Trust fund is responsible for reimbursing the State for the Department's operating, maintenance, and capital expenses financed by the State's general bank account. However, the State's General Assembly and the State's Division of Revenue transferred the following amounts as general operating support from the State's General Fund to the Department at June 30,

	2014
Amounts Transferred to Trust Fund	
Division of Motor Vehicles	$ 2,950,000
Division of Revenue, Motor Vehicle Dealer/Lessor License and Doucment Fees	407,109
Supplemental Appropriation from Fiscal Year Bond Bill	45,110,000
	$ 48,467,109

In addition, the Trust Fund is responsible for maintaining funds appropriated by the General Assembly for DTC, and reimbursing DTC for its operating and capital expenses up to the total amount of the appropriated funds. Total reimbursement for the year ended June 30, 2014 was $91,337,956.

(19) Service Concession Arrangement for Welcome Center and Service Plaza

At the end of fiscal year 2010, construction was completed on the Welcome Center and Service Plaza pursuant to an agreement with the HMS Host Tollroads, Inc. under which HMS financed, designed, built, maintained and operates the Center for 35 years. The TTF will be entitled to a percentage of all sales from fuel and non-fuel items sold. At the end of the arrangement, operation of the Welcome Center will be transferred to the TTF in its enhanced condition. In order to improve comforts of travelers traveling through Delaware, and to avoid the issuance of debt, the TTF entered into this agreement with HMS to construct and operate the center. Under this agreement, HMS is responsible for maintaining the Center to the current conditions and insuring the Center over the course of the 35 year operations period. The State also reports the Center as a capital asset with a carrying amount of $22,100,000 million at the year-end and a related deferred inflow of resources of $22,100,000 which will be amortized over 35 years. Amortization as of current year is $2.5 million.

Required Supplementary Information

Required Supplementary Information

Information About Infrastructure Assets Reported Using the Modified Approach

As allowed by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the State has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include 4,448 centerline miles and 1,592 bridges that the State is responsible to maintain.

The condition of the State's road pavement is measured using the Overall Pavement Condition (OPC) system, which is based on the extent and severity of various pavement distresses that are visually observed. The OPC system uses a measurement scale that is based on a condition index ranging from 0.0 for poor pavement to 5.0 for pavement in good condition.

The condition of bridges is measured using the "Bridge Condition Rating" (BCR) which is based on the Federal Highway Administration (FHWA) Coding Guide, "Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation's Bridges." The BCR uses a measurement scale that is based on a condition index ranging from 0 to 9, 0 to 4 for substandard bridges and 9 for bridges in good condition. For reporting purposes, substandard bridges are classified as those with a rating of 4 or less. The good or better condition bridges were taken as those with ratings of between 6 and 9. A rating of 5 is considered fair. This information is taken from past "Bridge Inventory Status" reports.

It is the State's policy to maintain at least 85% of its highways at a fair or better condition level and 75% of its bridge systems at a good or better condition level. No more than 10% of bridges and 15% of roads should be in substandard condition. Condition assessments are determined every year for roads and every two years for bridges. Due to the timing of these condition assessments, information for the fiscal year ended June 30, 2014 is not available.

State of Delaware
Department of Transportation
Supplementary Information For Governments That Use the Modified Approach for Infrastructure Assets

Structural Rating Numbers and Percentages for Bridges

Calendar Year Ended December 31

	BCR Condition Rating	2014 Number	2014 Percent	2013 Number	2013 Percent	2012 Number	2012 Percent
Good	6-9	1,198	75.3	1,152	73.1	1,140	72.8
Fair	5	307	19.3	331	21.0	310	19.8
Poor	0-4	87	5.4	92	5.8	116	7.4
Totals		1,592	100.0	1,575	100	1,566	100.0

Deck Rating Numbers and Percentages for Bridges

Calendar Year Ended December 31

	OPC Condition Rating	2014 Square Feet	2014 Percent	2013 Square Feet	2013 Percent	2012 Square Feet	2012 Percent
Good	6-9	5,886,694	74.9	5,936,967	75.4	6,670,643	85.1
Fair	5	1,650,327	21.0	1,549,714	19.7	679,289	8.7
Poor	0-4	321,851	4.1	384,961	4.9	487,778	6.2
Totals		7,858,872	100.0	7,871,642	100.0	7,837,710	100.0

Center-Line Mile Numbers and Percentages for Road Pavement

Calendar Year Ended December 31

	OPC Condition Rating	2013 Center-Line Mile	2013 Percent	2011 Center-Line Mile	2011 Percent	2009 Center-Line Mile	2009 Percent
Good	3.0-5.0	4,032	90.6	3,796	86.7	3,423	78.5
Fair	2.5-3.0	356	8.0	400	9.1	575	13.2
Poor	Below 2.5	60	1.4	182	4.2	362	8.3
Totals		4,448	100.0	4,378	100.0	4,360	100.0

Comparison of Estimated-to-Actual Maintenance/Preservation*

(Expressed In Thousands)

Fiscal Year ended June 30

	2014	2013	2012
Estimated	$ 198,873	$ 185,399	$ 243,600
Actual	$ 234,800	$ 233,810	$ 285,923

* The estimated expenditures represent annual Bond Bill authorization. The actual expenditures represent the current year spending, which includes cumulative authorization.

Required Supplementary Information – Pension

The following tables present additional information related to funding status and progress. It is intended to help readers assess the individual plans' funding status on a going-concern basis and assess progress made in accumulating sufficient assets to pay benefits when due.

DelDOT - Delaware Transit Corporation – Pension Data

The most recent information available for Delaware Transit Corporation's annual pension cost and related information for each plan is as follows (note – the current year information is not available for each plan):

Schedule of Funding Status and Progress
(Expressed in Dollars)

Plan	Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(c) Unfunded AAL (UAAL) (Excess of Assets over AAL) (a-b)	(d) Funded Ratio (a / b)	(e) Annual Covered Payroll	(f) UAAL (Excess) as % of Covered Payroll (c / e)
DTC Pension Plan	07/01/2013	$ 17,714,631	$ 20,057,791	$ (2,343,160)	88.83%	$ 11,308,455	(20.7)%
	07/01/2012	15,941,868	16,990,051	(1,048,183)	93.83%	11,041,527	(9.49)%
	07/01/2011	15,121,491	16,236,313	(1,114,822)	93.13%	11,253,210	(9.91%)
Contributory Plan	01/1/2014	$ 37,520,422	$ 37,483,272	$ (37,150)	100.0%	$ 25,747,945	(.14)%
	01/1/2013	32,243,870	34,423,975	(2,180,105)	93.67%	24,788,597	(8.79)%
	01/1/2012	30,863,722	32,171,013	(1,307,291)	95.94%	22,985,063	(5.69)%

Required Supplementary Information – DTC OPEB Trust

The following table presents additional information related to funding status and progress. It is intended to help readers assess the individual plans' funding status on a going-concern basis and assess progress made in accumulating sufficient assets to pay benefits when due:

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess (Deficit) of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Deficit) as a Percentage of Covered Payroll ((a-b)/c)
07/1/2011	$ 1,605,000	$ 125,866,000	$ (124,261,000)	1.28%	$ 31,883,191	(389.74)%
07/1/2012	1,755,283	121,627,000	(119,871,817)	1.44%	34,537,878	(347.07)%
07/1/2013	1,878,000	135,237,000	(133,359,000)	1.39%	38,546,221	(345.97)%

Other Supplementary Information

DELAWARE TRANSPORTATION AUTHORITY
TRANSPORTATION TRUST FUND
Balance Sheet in Accordance with Trust Agreement
Year Ended June 30, 2014
(With Comparative Totals for the Year Ended June 30, 2013)

	Operations	Trust Holdings	Debt Reserve	(memorandum only) 2014	2013
Current Assets:					
Cash and Cash equivalents:					
Unrestricted	$ 16,580,073	$ 68,643	$ -	$ 16,648,716	$ 18,257,687
Restricted	-	26,616,043	30,247	26,646,290	30,895,967
Investment - at fair value:					
Unrestricted	52,431,778	26,766,087	-	79,197,865	64,902,278
Restricted	-	70,313,336	-	70,313,336	107,926,887
Accrued interest receivable	454,745			454,745	535,890
Accounts receivable	8,411,336	6,899,661	-	15,310,997	9,973,630
Prepaid expenses	-	-	-	-	84,402
Bond issuance costs - net of accmulated amortization	-	-	-	-	307,845
Total current assets	77,877,932	130,663,770	30,247	208,571,949	232,884,586
Noncurrent assets:					
Capital assets:					
Infrastructure and land	-	1,357,166,169	-	1,357,166,169	1,323,023,326
Welcome and service center		22,100,000		22,100,000	
Buildings and improvements	-	8,072,030	-	8,072,030	8,136,689
Total capital assets:	-	1,387,338,199	-	1,387,338,199	1,331,160,015
Less: Accumulated depreciation	-	4,028,642	-	4,028,642	3,873,947
Capital assets	-	1,383,309,557	-	1,383,309,557	1,327,286,068
Investment - at fair value:					
Unrestricted	364,082	26,189,441	-	26,553,523	13,552,718
Restricted	-	-	59,626,299	59,626,299	69,569,136
Bond issuance costs - net of accumulated amortization and current portion	-	-	-	-	2,072,839
Total noncurrent assets	364,082	1,409,498,998	59,626,299	1,469,489,379	85,194,693
Total assets	$ 78,242,014	$ 1,540,162,768	$ 59,656,546	$ 1,678,061,328	$ 1,645,365,347
Deferred Outflows of Resources	$ -	$ 22,823,445	$ -	$ 22,823,445	$ -

DELAWARE TRANSPORTATION AUTHORITY
TRANSPORTATION TRUST FUND
Balance Sheet in Accordance with Trust Agreement
Year Ended June 30, 2014
(With Comparative Totals for the Year Ended June 30, 2013)

	Operations	Trust Holdings	Debt Reserve	(memorandum only) 2014	(memorandum only) 2013
Current Liabilities:					
Accounts payable	$ 12,343,703	$ -	$ -	$ 12,343,703	$ 14,281,639
Accrued payroll payable	-	-	-	-	245,216
Compensated absences payable	-	-	-	-	63,817
Customer toll deposits	11,921,228	-	-	11,921,228	13,785,582
Deferred revenue	-	56,675	-	56,675	592,565
General obligation bonds payable	-	103,426	-	103,426	142,866
Escrow deposit	-	2,754,858		2,754,858	2,130,200
Revenue bonds payable	-	77,655,000	-	77,655,000	72,543,651
Bond issue premium - net accumulated amortization	-	6,823,880	-	6,823,880	11,795,497
Interest payable	-	20,733,321	-	20,733,321	23,696,349
Total current liabilities	24,264,931	108,127,160	-	132,392,091	139,277,382
Noncurrent Liabilities:					
Compensated absences - net of current portion	-	-	-	-	218,459
Return of federal funds	-	-	-	-	-
General obligation bonds payable - net of current portion	-	-	-	-	103,426
Revenue bonds payable - net of deferred amounts on refunding and current portion	-	861,400,000	-	861,400,000	934,587,646
Bond issue premium - net of accumulated amortization	-	58,915,314	-	58,915,314	43,894,545
Total Noncurrent Liabilities	-	920,315,314	-	920,315,314	978,804,076
Total Liabilities	24,264,931	1,028,442,474	-	1,052,707,405	1,118,081,458
Deferred Inflows of Resources	-	19,574,286	-	19,574,286	-
Net assets:					
Investment in capital assets - net of related debt	-	378,411,937	-	378,411,937	315,012,706
Restricted	-	96,929,379	59,656,546	156,585,925	160,162,475
Unrestricted	54,716,825	38,888,395	-	93,605,220	52,108,708
Total Net assets	54,716,825	514,229,711	59,656,546	628,603,082	527,283,889
Total liabilities and net assets	$ 78,981,756	$ 1,542,672,185	$ 59,656,546	$ 1,681,310,487	$ 1,645,365,347

DELAWARE TRANSPORTATION AUTHORITY
TRANSPORTATION TRUST FUND
Statement of Revenues, Expenses, and Changesin Net Position in Accordance with Trust Agreement
Year Ended June 30, 2014
(With Comparative Totals for the Year Ended June 30, 2013)

	Operations	Trust Holdings	Debt Reserve	Totals (memorandum only) 2014	2013
Operating revenues					
Pledged revenue :					
Turnpike revenues	$ 122,404,184	$ -	$ -	$ 122,404,184	$ 120,089,261
Motor fuel tax revenue	114,555,916	-	-	114,555,916	112,582,805
Motor vehicle document fee revenue	84,830,376	-	-	84,830,376	77,585,014
Motor vehicle registration fee revenue	49,243,279	-	-	49,243,279	47,559,850
Other motor vehicle revenue	26,259,772	-	-	26,259,772	25,456,412
International Fuel Tax Agreement revenue	2,372,142	-	-	2,372,142	2,424,796
Total pledged revenue	399,665,669	-	-	399,665,669	385,698,138
Toll revenue - Delaware SR-1	47,561,542	-	-	47,561,542	46,223,585
Railway tolls	1,413,228	-	-	1,413,228	1,492,869
Traffic violations	6,583,963	-	-	6,583,963	4,713,808
Miscellaneous	-	4,752,579	-	4,752,579	2,935,636
Total operating revenues	455,224,402	4,752,579	-	459,976,981	441,064,036
Operating expenses					
Road maintenance, preservation,and repairs	1,180,981	48,191,061	-	49,372,042	36,871,306
Professional fees	39,421,798	60,664,513	-	100,086,311	116,895,639
Materials and supplies	18,451,080	3,791,477	-	22,242,557	32,662,928
Payroll expenses	-	-	-	-	73,161,939
Office expense and miscellaneous	1,512,492	3,043	-	1,515,535	1,385,014
Depreciation	-	154,695	-	154,695	192,217
Total operating expenses	60,566,351	112,804,789	-	173,371,140	261,169,043
Operating Income/loss	394,658,051	(108,052,210)	-	286,605,841	179,894,993
Nonoperating revenues(expenses):					
Income from investments-Pledged	1,133,138	1,038,370	85,602	2,257,110	2,220,035
Net increase (decrease) in the fair value of investments	-	-	-	-	(2,893,203)
Bad debt recovery	-	887,732	-	887,732	853,488
Service concession arrangement	-	2,525,714	-	2,525,714	-
Federal revenue	-	6,899,661	-	6,899,661	10,880,513
Interest expense	-	(38,529,291)	-	(38,529,291)	(39,224,203)
Excess of nonoperating revenue over nonoperating expenses	1,133,138	(27,177,814)	85,602	(25,959,074)	(28,163,370)
Income/loss before transfers	395,791,189	(135,230,024)	85,602	260,646,767	151,731,623
Net transfers per agreement	(186,327,395)	190,098,861	(3,771,466)	-	-
Transfers to other governmental agencies	(3,743,385)	-	-	(3,743,385)	-
Transfers to State General Fund	-	(5,000,000)	-	(5,000,000)	-
Transfers From State General Fund	-	48,467,109	-	48,467,109	43,257,404
Transfer from DTC	(83,878,200)	-	-	(83,878,200)	(83,003,807)
Transfer from DelDOT	(112,792,414)	-	-	(112,792,414)	-
Change in fund net position	9,049,795	98,335,946	(3,685,864)	103,699,877	111,985,220
Total fund net position - beginning of year (as restated see note 1)	45,667,030	415,893,765	63,342,410	524,903,205	415,298,669
Total fund net position - end of year	$ 54,716,825	$ 514,229,711	$ 59,656,546	$ 628,603,082	$ 527,283,889

DELAWARE TRANSPORTATION AUTHORITY
TRANSPORTATION TRUST FUND
Schedule of Revenue Bonds Outstanding
June 30, 2014

Principal	2003 Series	2004 Series	2005 Series	2006 Series	2007 SER A Series	2008 SER A Series	2008 SER B Series	2009 SER A Series	2009 SER B Series	2010 SER B Series	2012 Series	2014 Series	Total Senior Bond Series
FY15	$ 18,090,000	$ 9,620,000	$ 7,580,000	$ 5,585,000	$ 5,960,000	$ 1,825,000	$ 4,375,000	$ 4,070,000	$ 3,970,000	$ -	$ 9,085,000		$ 70,160,000
FY16	-	-	7,870,000	5,865,000	105,000	14,620,000	4,550,000	4,270,000	4,170,000	-	9,945,000	14,195,000	65,590,000
FY17	-	-	-	6,160,000	4,975,000	15,355,000	4,730,000	4,485,000	8,530,000	-	5,395,000	13,685,000	63,315,000
FY18	-	-	-	-	5,220,000	2,110,000	4,970,000	4,710,000	9,975,000	-	25,600,000	9,670,000	62,255,000
FY19	-	-	-	-	5,455,000	2,215,000	5,215,000	4,945,000	4,830,000	-	38,800,000	4,500,000	65,960,000
FY20	-	-	-	-	5,730,000	2,330,000	5,480,000	5,195,000	5,485,000	5,070,000	21,555,000	14,965,000	65,810,000
FY21	-	-	-	-	22,130,000	2,445,000	5,750,000	5,455,000	-	5,200,000	12,715,000	10,650,000	64,345,000
FY22	-	-	-	-	6,520,000	2,540,000	6,040,000	5,725,000	-	5,340,000	23,100,000	12,330,000	61,595,000
FY23	-	-	-	-	-	2,645,000	6,340,000	6,010,000	-	5,495,000	30,280,000	8,060,000	58,830,000
FY24	-	-	-	-	-	2,750,000	6,660,000	6,310,000	-	5,655,000	24,800,000	8,465,000	54,640,000
FY25	-	-	-	8,695,000	-	2,865,000	7,000,000	6,625,000	-	5,830,000	19,350,000	195,000	50,560,000
FY26	-	-	-	9,000,000	-	2,980,000	7,360,000	6,960,000	-	6,015,000	-	12,045,000	44,360,000
FY27	-	-	-	9,315,000	-	3,105,000	7,745,000	7,305,000	-	6,215,000	-	-	33,685,000
FY28	-	-	-	-	-	3,240,000	8,150,000	7,670,000	-	6,450,000	-	-	25,510,000
FY29	-	-	-	-	-	3,375,000	8,580,000	8,055,000	-	6,695,000	-	-	26,705,000
FY30	-	-	-	-	-	-	9,050,000	8,460,000	-	6,945,000	-	-	24,455,000
FY31	-	-	-	-	-	-	-	-	-	7,210,000	-	-	7,210,000
	$ 18,090,000	$ 9,620,000	$ 15,450,000	$ 44,620,000	$ 56,095,000	$ 64,400,000	$ 101,995,000	$ 96,250,000	$ 36,960,000	$ 72,120,000	$ 220,625,000	$ 108,760,000	$ 844,985,000

Principal	GARVEE 2010 Series	Total GARVEE Bond Series	Totals
FY15	$ 7,495,000	$ 7,495,000	$ 77,655,000
FY16	6,990,000	6,990,000	72,580,000
FY17	7,280,000	7,280,000	70,595,000
FY18	7,625,000	7,625,000	69,880,000
FY19	7,985,000	7,985,000	73,945,000
FY20	8,375,000	8,375,000	74,185,000
FY21	8,785,000	8,785,000	73,130,000
FY22	9,210,000	9,210,000	70,805,000
FY23	9,625,000	9,625,000	68,455,000
FY24	10,145,000	10,145,000	64,785,000
FY25	10,555,000	10,555,000	61,115,000
FY26	-	-	44,360,000
FY27	-	-	33,685,000
FY28	-	-	25,510,000
FY29	-	-	26,705,000
FY30	-	-	24,455,000
FY31	-	-	7,210,000
	$ 94,070,000	$ 94,070,000	$ 939,055,000

DELAWARE TRANSPORTATION AUTHORITY
TRANSPORTATION TRUST FUND
Schedule of Revenue Bond Coverage
June 30,2014

Oversight responsibility for the issuance of debt by the State and its authorities is centralized under the Secretary of Finance. The following table sets forth certain indebtedness of the Authority. Further information for the Authority may be found in the notes to financial statements, changes in long-term liabilities, and bonds outstanding.

		Debt service requirements (In thousands)			
Fiscal year	**Gross pledged revenue**	**Principal**	**Interest**	**Total**	**Coverage***
2004	308,091	47,640	38,176	85,816	3.59
2005	300,820	53,920	39,370	93,290	3.22
2006	337,350	58,445	40,573	99,018	3.41
2007	346,954	61,370	45,534	106,904	3.25
2008	381,590	67,640	46,210	113,850	3.35
2009	367,399	73,510	43,619	117,129	3.14
2010	363,948	74,380	50,885	125,265	2.91
2011	376,186	71,760	52,585	124,345	3.03
2012	378,960	76,320	56,411	132,731	2.86
2013	387,918	83,230	48,097	131,327	2.95
2014	401,922	75,205	47,162	122,367	3.28

* The above coverage calculation represents the total gross pledged revenue as it relates to the total debt service requirement of all Senior and Junior Bonds. The calculation method used in the Official Statement per the Trust Agreement calculates only the Senior Bond debt service requirement and subtracts investment income revenue from gross pledged revenue.

KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Delaware Department of Transportation
Dover, Delaware

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of the State of Delaware Department of Transportation (Department of Transportation), an enterprise fund of the State of Delaware, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Department of Transportation's basic financial statements, and have issued our report thereon dated December 10, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department of Transportation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department of Transportation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department of Transportation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Department of Transportation's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We consider the deficiencies described in item 2014-DelDOT-001 and 2014-DelDOT-002 in the accompanying schedule of findings and questioned costs to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department of Transportation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

State's Responses to Findings

DelDOT's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. DelDOT's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department of Transportation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department of Transportation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Philadelphia, PA
December 10, 2014

KPMG

Delaware Department of Transportation
Schedule of Findings and Responses

2014-DelDOT-001

Background
DelDOT receives invoices for services incurred or products received throughout the fiscal year. When these invoices are received, they are recorded in the general ledger as expenditures. Each invoice is recorded to a specific account code based on the nature of the invoice. Goods and services are received near fiscal year end where DelDOT does not receive the related invoice until after year-end. Since DelDOT' s basis for reporting information included in the financial statements is the accrual basis accounting which is in accordance with Generally Accepted Accounting Policies (GAAP), these expenditures should be recorded as activity during the year despite the invoices being received after year-end.

Condition:
Expenditures:
We identified 8 invoices in a sample of 91 invoices tested where the invoice amounts were recorded incorrectly to current year expenditures. The services occurred over two fiscal years and the invoices were not properly pro-rated between fiscal years 2013 and 2014, resulting in an overstatement of expenditures. The 8 samples errors totaled $2,219,966 and the invoice dates fell within the first two months of the fiscal year. Of the total value of the population of $287,398,101, we tested $41,543,589.

Accounts Payable:
We identified 5 invoices out of our sample of 14 invoices tested where the services incurred were over two fiscal years were not properly pro-rated between fiscal years 2014 and 2015, resulting in an understatement of accounts payable. The 5 sample errors totaled $8,357,114 and the invoice dates fell within the last two months of the fiscal year. Of the total value of the population of $92,601,144, we tested $33,892,463.

Criteria:
DelDOT's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, expenses are recorded at the time good or services are received, regardless of the timing of the receipt of invoices or the related cash flows. In accordance with GASB #34, "Revenues, expenses, gains, losses, assets, and liabilities resulting form exchange and exchange-like transactions should be recognized when the exchange takes place"

Cause:
Expenditures and Accounts Payable:
DelDOT records invoices based on the date in which the invoice is received rather than the dates the services were incurred or products received, which is a Non-GAAP Policy. While DelDOT encourages vendors to provide invoices prior to year-end so they can be processed for payment, many vendors still provide their invoices on a after fiscal year-end which then are recorded until the following fiscal year.

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Delaware Department of Transportation
Schedule of Findings and Responses

Effect:
Expenditures:
The 8 transactions relating to fiscal year 2013 activity that were recorded to fiscal year 2014 expenditures resulted in an overstatement of DelDOT expenditures by $2,219,966.

Accounts Payable:
The 5 transactions relating to fiscal year 2014 activity that were recorded in fiscal year 2015 resulted in an understatement of DelDOT accounts payable by $8,357,114.

Recommendation:
We recommend that the Department put in place policies and procedures to ensure that transactions that occur at the end of the fiscal year are recorded in the proper period based on the date goods or service were provided.

Management Response:
DelDOT strives to complete and approve all expenditure transactions for the period in which they occurred. It has been a struggle to obtain invoices for supplies and/services from the vendor in a timely manner. In an effort to avoid the pro-ration of expenditures across fiscal years, DelDOT has requested vendors bill every two weeks instead of the standard thirty (30) days during the last month of each fiscal year. DelDOT will continue to research ways to diminish this problem which will include using queries and reports to ensure any items in this category are addressed. The agency will also work with the Division of Accounting to ensure there is consistency within how other state agencies tackle this issue.

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Delaware Department of Transportation
Schedule of Findings and Responses

2014-DelDOT-002

Background:
One of the sources of revenue for DelDOT is DMV revenue which is initiated when a customer enters one of the DMV locations to register a vehicle or pay a fee. The customer completes the appropriate forms and the Cashier at the DMV location enters the customer information into the Motor Vehicle and License System (MVALS) which calculates the appropriate fee the customer is to pay. On a daily basis for each location, a Daily Cash Report is created to reconcile the daily total for cash, credit cards, and checks for each cashier. Any discrepancies greater than $5.00 are investigated. The completed Daily Cash Reports are provided to the Accounting Specialist who reconciles the Daily Cash Reports to the MVALS system report for each location. The Accounting Specialist ensures that any shortages/overages greater than $5 are reasonable explained. A second accounting specialist then reconciles the MVAL totals to the related bank statement.

Condition:
During our review of 53 DelDOT DMV revenue reconciliations selected, we identified 28 samples where the credit card portion of the reconciliation was not performed and 14 samples where reconciliations performed did not agree to the bank statements.

For all 42 exceptions, DelDOT was able to re-perform the reconciliations correctly after the fact after the audit identified the lack of completed reconciliations.

Criteria:

The COSO Internal Controls Integrated Framework – 1992, identified the following regarding control activities and monitoring controls.

- *Segregation of Duties*—Duties are divided, or segregated, among different people to reduce the risk of error or inappropriate actions. For instance, responsibilities for authorizing transactions, recording them and handling the related asset are divided.

- In carrying out its regular management activities, operating management obtains evidence that the system of internal control continues to function. When operating reports are integrated or reconciled with the financial reporting system and used to manage operations on an ongoing basis, significant inaccuracies or exceptions to anticipated results are likely to be spotted quickly.

Cause:
The DMV department experienced significant turnover during the fiscal year and did not properly assign new staff to perform the reconciliations and new supervisors to review the reconciliations.

Effect:
Without performing the needed DMV revenue reconciliations, misstatements to the financial statements could go undetected. DelDOT's reperforming the reconciliations after year end validated the DMV revenue was accurately recorded, as a result this exception is a control significant deficiency with no financial statement amount impact.

Recommendation:
We recommend that DelDOT put into place procedures to ensure all reconciliations of cash and credit card transaction are reconciled timely and that staff are cross trained so controls are still completed during transitional changes within staffing.

Management Response:
Employee turnover is a challenge that DMV Financial Services continually faces and continues to address. Currently DMV has two individuals who are able to perform the credit card reconciliation. The objective is to have at least three individuals who can complete this process in its entirety at all times, if necessary. The target date for this cross-training to be completed is December 31, 2014. DMV is also exploring different approaches to performing the credit card reconciliation in an effort to improve the efficiency of this process.

As of January 1, 2015, the roles in this process will be segregated and defined as follows:

- The printing of necessary daily reports will be assigned to one employee and distributed to the DMV Accountant.
- The verification of 'daily lane work' will be assigned to a separate employee who will also perform the credit card reconciliation on a daily basis.
- The Fiscal Administrative Officer will review the reconciliations weekly.

It should be noted that as staff shortages occur, deviation from these procedures may be necessary in order to maintain the timely completion of the credit card reconciliation process.

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APPENDIX A-2

AUTHORITY'S AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2015

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STATE OF DELAWARE
DEPARTMENT OF TRANSPORTATION

Financial Statements
June 30, 2015
(With summarized financial information for the year ended June 30, 2014)

(With Independent Auditors' Report Thereon)

Issuance Date: November 25, 2015

State of Delaware
Department of Transportation

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Right, By Your Side

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Stacey A. Powell, CPA, CFE, CICA

Robert Freed, Principal
Linda A. Pappajohn, Principal

Independent Auditors' Report

State of Delaware Department of Transportation
Dover, Delaware

Report on the Financial Statements

We have audited the accompanying financial statements, as listed in the table of contents, of the business-type activities and each major fund of the State of Delaware Department of Transportation (the Department), which is an enterprise fund of the State (the State) as of and for the year ended June 30, 2015, and the related notes to financial statements, which collectively comprise the Department's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Department as of June 30, 2015, and the respective changes in financial position and cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Princple Resulting from the Adoption of New Accounting Pronouncements

As discussed in Note 2(n) to the financial statements, during the Fiscal Year Ended June 30, 2015, the Department adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinions are not modified with respect to this matter.

Financial Statement Presentation

As discussed in Note 1, the financial statements of the Department are intended to present the financial position, changes in financial position, and cash flows of only that portion of the business-type activities and major funds of the State that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the State as of June 30, 2015, the changes in its financial position, or where applicable, its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Prior Year Comparative Information

The financial statements include partial prior year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Department's financial statements for the year ended June 30, 2014, from which such partial information was derived. The financial statements for the year ended June 30, 2014 were audited by other auditors whose report, dated December 10, 2014, expressed unmodified opinions on those financial statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Department's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated November 23, 2015, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

Santora CPA Group

November 23, 2015
Newark, Delaware

State of Delaware
Department of Transportation
Management's Discussion and Analysis
June 30, 2015

This section of the State of Delaware Department of Transportation's (the Department) annual financial statements presents our discussion and analysis of the Department's financial performance during the Fiscal Year Ended June 30, 2015.

Background

The mission of the Department is to provide a safe, efficient, and environmentally sensitive transportation network that offers a variety of convenient, cost-effective mobility opportunities for the movement of people and goods. The Department is responsible for the construction and maintenance of the State of Delaware's (the State) roadways, bridges, and public transportation systems, and for the coordination and development of the State's comprehensive, balanced transportation planning and policies.

Financial Highlights

- Outstanding revenue bonds payable continued to decrease as the Department continues to limit long-term borrowing and decrease debt-service costs. Revenue bonds payable decreased to $861.4 million at June 30, 2015 from $939.1 million at June 30, 2014.

- Operating revenues increased by $26.6 million to $510.9 million during the Fiscal Year Ended June 30, 2015, primarily from 1) increased motor vehicle related revenues as a result of continued strong auto sales, 2) increases in SR-1 toll revenues due to implementation of weekend toll increase, and 3) increased motor fuel taxes as a result of lower fuel prices.

- Operating expenses increased by $33.3 million to $601.0 million during the Fiscal Year Ended June 30, 2015, primarily as a result of increases in road maintenance, preservation, and repair expenses due to an increased focus on maintaining the State's transportation infrastructure in a state of good repair.

- Total capital assets (net of depreciation) increased $49.0 million to $4,321.3 million during Fiscal Year 2015, primarily as a result of the following infrastructure and equipment spending: West Dover Connector - $6.7 million; US 301 - $12.8 million; Wilmington Riverfront/Christina River Bridge - $5.3 million; SR-1/I-95 Interchange - $5.8 million; and truck and tractor purchases - $7.5 million.

Overview of the Financial Statements

The Department is an agency of the State and operates as an enterprise fund. Included within the Department is the Delaware Transportation Authority (the Authority), which is a blended component unit of the Department. The Authority is made up of the activities of the Transportation Trust Fund (the Trust Fund) and the Delaware Transit Corporation (DTC).

The financial section of this annual report consists of five parts: (1) management's discussion and analysis, (2) the basic financial statements, (3) notes to the financial statements, (4) required supplementary information, and (5) supplementary information.

The financial statements provide both long- and short-term information about the Department's overall financial status.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by required supplementary information and supplementary information that further explain and support the information in the financial statements.

The Department's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units on an accrual basis. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the statement of revenues, expenses, and changes in fund net position. All assets and liabilities associated with the operation of the Department are included in the statement of net position.

Financial Analysis of the Department

Net Position

The Department's total assets were $4,705.8 million at June 30, 2015, compared to $4,675.4 million at June 30, 2014. Total liabilities were $1,252.4 million at June 30, 2015, compared to $1,316.8 million at June 30, 2014. Net position at June 30, 2015 was $3,440.7 million, compared to $3,361.9 million at June 30, 2014.

Condensed Financial Information - Department of Transportation
Net Position as of June 30
(Dollars expressed in millions)

	2015	2014	Change ($)	Change (%)
Current assets	$ 309.2	$ 313.2	$ (4.0)	(1.3)
Capital assets	4,321.3	4,272.3	49.0	1.1
Other noncurrent assets	75.3	89.9	(14.6)	(16.2)
Total assets	4,705.8	4,675.4	30.4	0.7
Deferred outflows of resources	29.4	22.8	6.6	28.9
Current liabilities	181.1	179.7	1.4	0.8
Noncurrent liabilities	1,071.3	1,137.1	(65.8)	(5.8)
Total liabilities	1,252.4	1,316.8	(64.4)	(4.9)
Deferred inflows of resources	42.1	19.6	22.5	114.8
Net position				
Net investment in capital assets	3,445.9	3,267.4	178.5	5.5
Restricted	153.1	160.5	(7.4)	(4.6)
Unrestricted	(158.3)	(66.0)	(92.3)	139.8
Total net position	$ 3,440.7	$ 3,361.9	$ 78.8	2.3

The increase in capital assets is primarily a result of the following infrastructure and equipment spending: West Dover Connector - \$6.7 million; US 301 - \$12.8 million; Wilmington Riverfront/Christina River Bridge - \$5.3 million; SR-1/I-95 Interchange - \$5.8 million; and truck and tractor purchases - \$7.5 million.

Although there were increases in the net post-employment benefits obligations adding to liabilities, the decrease in total liabilities is primarily the result of not issuing new debt during the year and the payment of existing bonds.

For Fiscal Year 2015, the unrestricted net position decreased due to the decision to draw down existing cash balances to pay for capital assets instead of issuing new debt during the year, as well as the effect of implementing new accounting standards related to pensions.

Changes in Net Position

The Department's net position at June 30, 2015 was \$3,440.7 million, compared to \$3,361.9 million at June 30, 2014. Operating revenues were \$510.9 million and \$484.3 million in Fiscal Years 2015 and 2014, respectively. Total operating expenses were \$601.0 million and \$567.8 million in Fiscal Years 2015 and 2014, respectively.

Condensed Financial Information - Department of Transportation
Changes in Net Position for the Years Ended June 30
(Dollars expressed in millions)

			Change	
	2015	2014	($)	(%)
Operating revenues	$ 510.9	$ 484.3	$ 26.6	5.5
Operating expenses				
Operating expenses	573.8	534.5	39.3	7.4
Depreciation	27.2	33.2	(6.0)	(18.1)
Total operating expenses	601.0	567.7	33.3	5.9
Operating loss	(90.1)	(83.4)	(6.7)	8.0
Nonoperating revenues, net	212.3	188.5	23.8	12.6
Income before transfers	122.2	105.1	17.1	16.3
Transfers, net	(7.1)	39.7	(46.8)	(117.9)
Change in net position	115.1	144.8	(29.7)	(20.5)
Total net position - beginning of year, as previously stated	3,361.9	3,217.1	144.8	4.5
Prior period adjustment - Implementation of GASB Nos. 68 and 71	(36.3)	-	(36.3)	N/A
Total net position - beginning of year, as restated	3,325.6	3,217.1	108.5	3.4
Total net position - end of year	$ 3,440.7	$ 3,361.9	$ 78.8	2.3

The increase in operating revenues from 2014 to 2015 is primarily attributed to increased toll revenues and an increase in motor vehicle and related revenues as a result of increased auto sales.

The increase in total operating expenses from 2014 to 2015 is primarily due to increased professional fees for the planning of projects and increases in materials and supplies from a challenging winter season.

The increase in nonoperating revenues from 2014 to 2015 is a result of increased federal grant revenues relating to federal capital projects.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2015, the Department had invested $4,530.2 million in capital assets, including roads, bridges, buildings, land, and equipment. Net of accumulated depreciation, the Department's net capital assets at June 30, 2015 totaled $4,321.3 million. This amount represents a net increase (including additions and disposals, and net of depreciation) of $49.0 million over June 30, 2014. The increase is primarily a result of the following infrastructure and equipment spending: West Dover Connector - $6.7 million; US 301 - $12.8 million; Wilmington Riverfront/Christina River Bridge - $5.3 million; SR-1/I-95 Interchange - $5.8 million; and truck and tractor purchases - $7.5 million.

The Department is using the "modified approach" related to depreciation on its roads and bridges. The modified approach requires that the Department initially set a percentage benchmark for maintaining the infrastructure in fair or better condition and report at least every three years on their condition assessment.

It is the Department's policy to maintain at least 85% of its highway system at a fair or better condition rating and 75% of its bridge system (combined structural and deck ratings) at a good or better condition rating as follows:

The condition of road pavement is measured using the Overall Pavement Condition (OPC) system, which is based on the extent and severity of various pavement distresses that are visually observed. The OPC system uses a measurement scale that is based on a condition index ranging from 0 for poor pavement to 5 for pavement in good condition.

The condition of bridge structures is measured using the "Bridge Condition Rating" (BCR), which is based on the Federal Highway Administration's (FHWA) Coding Guide, "Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation's Bridges". The BCR uses a measurement scale that is based on a condition index ranging from 0 to 9, 0 to 4 for substandard bridges, and 9 for bridges in good condition. For reporting purposes, substandard bridges are classified as those with a rating of 4 or less. The good or better condition bridges are taken as those with ratings of 6 to 9. A rating of 5 is considered fair. The information is taken from past "Bridge Inventory Status" reports.

The Department performs condition assessments of eligible infrastructure assets at least every three years.

Of the Department's 1,626 bridge structures that were rated in 2015, 74.5% received a good or better BCR rating, 18.7% were rated fair, and 6.8% received a substandard rating. Of the 8,049,340 square feet of bridge deck that was rated, 74.3% or 5,979,029 square feet received an OPC condition rating of good or better, 21.1% received a fair rating, and 4.6% received a substandard deck rating. In 2013, 4,448 centerline miles were rated; 98.6% received a fair or better OPC rating and 1.4% received a poor rating. No roadway condition assessment was performed for Fiscal Year 2015.

The estimate to maintain and preserve the Department's infrastructure was $241.9 million and $198.9 million for 2015 and 2014, respectively. The actual expenditures were $291.6 million and $234.8 million for 2015 and 2014, respectively.

Debt Administration

Transportation Systems Revenue Bonds are issued with the approval of the State and the State's Bond Issuing Officers (the Governor, the Secretary of Finance, the Secretary of State, and the State Treasurer) to finance improvements to the State's transportation systems. Approval by the General Assembly of the State is not required for the Authority to issue bonds to refund any of its bonds provided that a present value debt service savings is achieved in such refunding. The sales must comply with the rules and regulations of the United States Treasury Department and the United States Securities and Exchange Commission.

At June 30, 2015, the Authority had $861.4 million in revenue bonds outstanding, an 8.3% decrease from June 30, 2014. On June 30, 2015 and 2014, the Authority had a total of $262.4 million in authorized but unissued revenue bonds.

Of the 10 outstanding Senior Bond Issues, all bonds are rated AA+ and Aa2 by Standard and Poor's and Moody's Investors Services, respectively. The GARVEE Bond, 2010 Series is rated AA and A1 by Standard and Poor's and Moody's Investors Services, respectively.

The Department's investment portfolio is actively managed by Wilmington Trust Company and primarily consists of U.S. government securities, U.S. government agency securities, and high-grade commercial paper. The majority of these investments have maturities of less than one year. The Department's bond ratings have allowed continued access to the municipal bond market at favorable interest rates.

Contacting the Department's Financial Management

This financial report is designed to provide bondholders, patrons, and other interested parties with a general overview of the Department's finances and to demonstrate the Department's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the State of Delaware Department of Transportation, Finance Unit, P.O Box 778, Dover, Delaware 19903.

State of Delaware
Department of Transportation
Statement of Net Position
June 30, 2015
(with summarized financial information for June 30, 2014)

	DELDOT	Delaware Transportation Authority TTF	Delaware Transportation Authority DTC	2015 Total	2014 Total
Current assets					
Cash and cash equivalents					
Unrestricted	$ 258,338	$ 26,447,592	$ 34,715,497	$ 61,421,427	$ 46,816,405
Restricted	6,799	3,655,737	-	3,662,536	26,655,174
Pooled cash and investments	12,401,297	-	-	12,401,297	14,355,895
Investments - at fair value					
Unrestricted	-	55,413,618	-	55,413,618	79,197,865
Restricted	195,896	110,039,426	-	110,235,322	70,517,154
Accounts receivable					
Trade	10,617,916	8,891,270	1,016,993	20,526,179	18,189,511
Federal grants	26,268,004	276,291	765,313	27,309,608	39,121,024
Interest	-	398,661	-	398,661	454,745
Inventory	14,554,901	-	3,096,249	17,651,150	17,702,410
Other assets	-	-	207,330	207,330	213,325
Total current assets	64,303,151	205,122,595	39,801,382	309,227,128	313,223,508
Noncurrent assets					
Capital assets, not depreciable					
Land	144,769,155	152,306,437	1,872,536	298,948,128	288,612,090
Infrastructure	2,543,143,814	1,216,991,300	-	3,760,135,114	3,723,674,937
Construction in progress	17,169,477	-	-	17,169,477	34,086,538
Service concession buildings and improvements	-	22,100,000	-	22,100,000	22,100,000
Capital assets, depreciable					
Buildings and improvements	71,596,684	8,072,030	57,862,351	137,531,065	118,630,402
Fixtures, vehicles, and equipment	111,904,656	-	182,422,919	294,327,575	296,476,030
Total capital assets	2,888,583,786	1,399,469,767	242,157,806	4,530,211,359	4,483,579,997
Less: accumulated depreciation	85,923,293	4,217,142	118,779,115	208,919,550	211,273,388
Capital assets, net	2,802,660,493	1,395,252,625	123,378,691	4,321,291,809	4,272,306,609
Investments - at fair value, net of current portion					
Unrestricted	-	4,563,474	-	4,563,474	26,553,523
Restricted	-	70,484,736	-	70,484,736	59,626,299
Net pension asset	-	-	253,443	253,443	3,707,985
Total noncurrent assets	2,802,660,493	1,470,300,835	123,632,134	4,396,593,462	4,362,194,416
Total assets	2,866,963,644	1,675,423,430	163,433,516	4,705,820,590	4,675,417,924
Deferred outflows of resources					
Loss on refundings of debt	-	20,448,278	-	20,448,278	22,823,445
Changes in employer proportionate share of net pension liability	212,160	-	-	212,160	-
Pension contributions made after the measurement date	6,508,133	-	2,232,549	8,740,682	-
Total deferred outflows of resources	6,720,293	20,448,278	2,232,549	29,401,120	22,823,445

(Continued)

State of Delaware
Department of Transportation
Statement of Net Position (Continued)
June 30, 2015
(with summarized financial information for June 30, 2014)

		Delaware Transportation Authority		2015	2014
	DELDOT	TTF	DTC	Total	Total
Current liabilities					
Accounts payable and other accrued expenses	$ 15,711,288	$ 15,608,211	$ 10,317,149	$ 41,636,648	$ 41,444,293
Accrued payroll	3,749,874	-	2,124,008	5,873,882	5,342,023
Escrow deposits	6,411,575	2,259,980	-	8,671,555	10,112,519
Customer toll deposits	-	14,487,762	-	14,487,762	11,921,228
Interest payable	-	20,737,791	-	20,737,791	20,733,321
Unearned revenue	-	-	-	-	56,675
Pollution remediation obligations	685,000	-	-	685,000	1,280,000
Insurance loss reserve	-	-	2,485,340	2,485,340	2,427,420
Compensated absences payable	963,077	-	1,127,251	2,090,328	1,787,132
General obligation bonds payable	-	-	-	-	103,426
Revenue bonds payable	-	72,580,000	-	72,580,000	77,655,000
Bond issue premium - net of accumulated amortization	-	11,902,313	-	11,902,313	6,823,880
Total current liabilities	27,520,814	137,576,057	16,053,748	181,150,619	179,686,917
Noncurrent liabilities					
Other post-employment benefits payable	112,946,392	-	101,508,765	214,455,157	194,503,873
Compensated absences - net of current portion	7,629,630	-	2,194,981	9,824,611	10,479,463
Insurance loss reserve - net of current portion	-	-	9,168,660	9,168,660	9,583,580
Pollution remediation obligations - net of current portion	1,308,000	-	-	1,308,000	2,231,500
Revenue bonds payable - net of current portion	-	788,820,000	-	788,820,000	861,400,000
Bond issue premium - net of accumulated amortization and current portion	-	33,576,224	-	33,576,224	58,915,314
Net pension liability	14,114,288	-	-	14,114,288	-
Total noncurrent liabilities	135,998,310	822,396,224	112,872,406	1,071,266,940	1,137,113,730
Total liabilities	163,519,124	959,972,281	128,926,154	1,252,417,559	1,316,800,647
Deferred inflows of resources					
Service concession arrangement	-	18,942,857	-	18,942,857	19,574,286
Differences between projected and actual earnings on pension plan investments	22,430,145	-	706,367	23,136,512	-
Total deferred inflows of resources	22,430,145	18,942,857	706,367	42,079,369	19,574,286
Net position					
Net investment in capital assets	2,802,660,493	519,840,247	123,378,691	3,445,879,431	3,267,408,989
Restricted	202,695	152,713,740	253,443	153,169,878	160,506,612
Unrestricted	(115,128,520)	44,402,583	(87,598,590)	(158,324,527)	(66,049,165)
Total net position	$ 2,687,734,668	$ 716,956,570	$ 36,033,544	$ 3,440,724,782	$ 3,361,866,436

See accompanying notes to financial statements.

State of Delaware
Department of Transportation
Statement of Revenues, Expenses, and Changes in Fund Net Position
June 30, 2015
(with summarized financial information for June 30, 2014)

		Delaware Transportation Authority		2015	2014
	DELDOT	TTF	DTC	Total	Total
Operating revenues					
Pledged revenue					
Turnpike revenue	$ -	$ 120,363,461	$ -	$ 120,363,461	$ 122,404,184
Motor fuel tax revenue	-	116,968,447	-	116,968,447	114,555,916
Motor vehicle document fee revenue	-	94,037,087	-	94,037,087	84,830,376
Motor vehicle registration fee revenue	-	51,184,304	-	51,184,304	49,243,279
Other motor vehicle revenue	-	25,757,326	-	25,757,326	26,259,772
International Fuel Tax Agreement revenue	-	2,694,453	-	2,694,453	2,372,142
Toll revenue - Delaware SR-1	-	55,767,180	-	55,767,180	47,561,542
Passenger fares	-	-	18,452,285	18,452,285	16,332,281
Miscellaneous	13,299,683	9,571,417	2,820,574	25,691,674	20,751,376
Total operating revenues	13,299,683	476,343,675	21,272,859	510,916,217	484,310,868
Operating expenses					
Road maintenance, preservation, and repairs	106,012,905	45,864,274	-	151,877,179	122,087,638
Payroll expense	115,000,588	-	79,833,141	194,833,729	200,998,978
Professional fees	51,168,591	99,182,481	21,598,327	171,949,399	157,477,186
Materials, supplies, and other	7,360,703	26,165,562	21,590,493	55,116,758	53,947,378
Depreciation	7,872,770	188,500	19,131,585	27,192,855	33,242,994
Total operating expenses	287,415,557	171,400,817	142,153,546	600,969,920	567,754,174
Operating income (loss)	(274,115,874)	304,942,858	(120,880,687)	(90,053,703)	(83,443,306)
Nonoperating revenues (expenses)					
Income from investments - pledged	-	1,844,953	-	1,844,953	2,257,110
Income from investments	-	-	-	-	24,083
Bad debt recovery	-	923,348	-	923,348	887,732
Federal grant revenue	226,266,879	276,291	7,475,681	234,018,851	224,087,434
Pass-through grant revenue	-	-	3,336,385	3,336,385	3,206,584
Pass-through grant expense	-	-	(4,962,061)	(4,962,061)	(5,973,876)
Interest expense	-	(23,482,198)	-	(23,482,198)	(38,529,291)
Service concession arrangement	-	631,428	-	631,428	2,525,714
Excess (deficiency) of nonoperating revenues over nonoperating expenses	226,266,879	(19,806,178)	5,850,005	212,310,706	188,485,490
Income (loss) before transfers	(47,848,995)	285,136,680	(115,030,682)	122,257,003	105,042,184

(Continued)

State of Delaware
Department of Transportation
Statement of Revenues, Expenses, and Changes in Fund Net Position (Continued)
June 30, 2015
(with summarized financial information for June 30, 2014)

	DELDOT	Delaware Transportation Authority TTF	Delaware Transportation Authority DTC	2015 Total	2014 Total
Transfers to other governmental agencies	$ -	$ (5,484,944)	$ -	$ (5,484,944)	$ (3,743,385)
Transfers to State General Fund	-	(5,000,000)	-	(5,000,000)	(5,000,000)
Transfers from State General Fund	-	3,388,738	-	3,388,738	48,467,109
Capital contributions	(13,791,965)	-	13,791,965	-	-
Transfers to DTC	(7,331,880)	(85,583,707)	92,915,587	-	-
Transfers to DelDOT	104,103,279	(104,103,279)	-	-	-
Change in fund net position	35,130,439	88,353,488	(8,323,130)	115,160,797	144,765,908
Fund net position - beginning of year, as previously stated	2,687,157,063	628,603,082	46,106,291	3,361,866,436	3,217,100,528
Prior period adjustment - Implementation of GASB Nos. 68 and 71					
Net pension liability (measurement date)	(41,255,617)	-	(3,815,944)	(45,071,561)	-
Deferred outflows - Contributions made during Fiscal Year 2014	6,702,783	-	2,066,327	8,769,110	-
Total prior period adjustment	(34,552,834)	-	(1,749,617)	(36,302,451)	-
Fund net position - beginning of year, as restated	2,652,604,229	628,603,082	44,356,674	3,325,563,985	3,217,100,528
Fund net position - end of year	$ 2,687,734,668	$ 716,956,570	$ 36,033,544	$ 3,440,724,782	$ 3,361,866,436

See accompanying notes to financial statements.

State of Delaware
Department of Transportation
Statement of Cash Flows
June 30, 2015
(with summarized financial information for June 30, 2014)

	DELDOT	Delaware Transportation Authority TTF	Delaware Transportation Authority DTC	2015 Total	2014 Total
Cash flows from operating activities					
Receipts from customers	$ 10,419,238	$ 477,878,722	$ 18,374,660	$ 506,672,620	$ 481,661,002
Payments to suppliers	(172,003,495)	(167,947,809)	(39,820,124)	(379,771,428)	(316,709,002)
Payments to employees	(109,680,352)	-	(63,791,063)	(173,471,415)	(177,134,285)
Insurance claims paid	-	-	(5,537,731)	(5,537,731)	(3,960,884)
Other receipts	-	-	2,820,390	2,820,390	2,445,960
Net cash provided by (used in) operating activities	(271,264,609)	309,930,913	(87,953,868)	(49,287,564)	(13,697,209)
Cash flows from noncapital financing activities					
Transfers from State General Fund	-	3,388,738	-	3,388,738	48,467,109
Transfers to State General Fund	-	(5,000,000)	-	(5,000,000)	(5,000,000)
Federal operating subsidies	-	-	7,475,681	7,475,681	4,516,222
Pass-through grant revenue	-	-	3,528,336	3,528,336	2,159,344
Pass-through grant payments	-	-	(4,962,061)	(4,962,061)	(5,973,876)
Transfers from TTF	96,963,350	(189,686,986)	92,723,636	-	(701,690)
Transfers to other governmental agencies	-	(5,484,944)	-	(5,484,944)	(3,743,385)
Net cash provided by (used in) noncapital financing activities	96,963,350	(196,783,192)	98,765,592	(1,054,250)	39,723,724
Cash flows from capital and related financing activities					
Payments of revenue bond principal	-	(77,655,000)	-	(77,655,000)	(84,450,000)
Payments of general obligation bond principal	-	(103,426)	-	(103,426)	(142,867)
Premium from revenue bond sale	-	-	-	-	15,983,075
Loss from bond refunding	-	-	-	-	8,089,500
Federal reimbursement of debt service	-	276,291	-	276,291	-
Proceeds from capital grants	230,404,449	6,623,370	-	237,027,819	207,200,107
Bond issuance costs from revenue bond sale	-	-	-	-	2,380,684
Proceeds from capital contributions	(14,842,441)	-	14,842,441	-	-
Acquisition of capital assets	(43,740,034)	(12,131,568)	(20,356,310)	(76,227,912)	(127,250,270)
Payments of interest	-	(41,363,218)	-	(41,363,218)	(47,745,720)
Net cash provided by (used in) capital and related financing activities	171,821,974	(124,353,551)	(5,513,869)	41,954,554	(25,935,491)
Cash flows from investing activities					
Purchase of investments	-	(2,352,695,177)	-	(2,352,695,177)	(23,433,296)
Proceeds from sale of investments	7,922	2,347,884,946	-	2,347,892,868	26,945,974
Collection on loans previously written off	-	923,348	-	923,348	887,732
Escrow insurance deposits	-	-	22,971	22,971	37,176
Interest received	-	1,901,036	-	1,901,036	2,200,048
Net cash provided by (used in) investing activities	7,922	(1,985,847)	22,971	(1,954,954)	6,637,634

(Continued)

State of Delaware
Department of Transportation
Statement of Cash Flows (Continued)
June 30, 2015
(with summarized financial information for June 30, 2014)

	DELDOT	Delaware Transportation Authority TTF	Delaware Transportation Authority DTC	2015 Total	2014 Total
Net increase (decrease) in cash and cash equivalents	$ (2,471,363)	$ (13,191,677)	$ 5,320,826	$ (10,342,214)	$ 6,728,658
Cash and cash equivalents - beginning of year	15,137,797	43,295,006	29,394,671	87,827,474	81,098,816
Cash and cash equivalents - end of year	$ 12,666,434	$ 30,103,329	$ 34,715,497	$ 77,485,260	$ 87,827,474

	DELDOT	TTF	DTC	2015 Total	2014 Total
Reconciliation of operating income (loss) to net cash used in operating activities					
Net operating income (loss)	$ (274,115,874)	$ 304,942,858	$ (120,880,687)	$ (90,053,703)	$ (83,443,306)
Adjustment to reconcile net operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	7,872,770	188,500	19,131,585	27,192,855	33,242,994
Adoption of GASB Nos. 68 and 71	3,698,443	-	(178,743)	3,519,700	-
Changes in assets and liabilities					
(Increase) decrease in accounts receivable - trade	(1,934,359)	(479,934)	77,625	(2,336,668)	(292,694)
(Increase) decrease in inventory	(425,683)	-	476,943	51,260	722,917
Decrease in prepaid expenses	-	-	28,965	28,965	1,012,651
(Increase) decrease in net pension asset	-	-	361,402	361,402	(395,894)
Increase (decrease) in accounts payable and other accrued expenses	(5,517,113)	3,264,508	2,444,960	192,355	7,341,928
Increase (decrease) in escrow deposits	(946,086)	(494,878)	-	(1,440,964)	3,990,487
Increase (decrease) in insurance loss reserve	-	-	(357,000)	(357,000)	2,164,000
Increase (decrease) in compensated absences	(482,196)	-	130,540	(351,656)	(1,678,389)
Increase (decrease) in accrued payroll and related expenses	271,542	-	260,317	531,859	(287,931)
Decrease in unearned revenue	-	(56,675)	-	(56,675)	(535,890)
Increase (decrease) in customer toll deposits	-	2,566,534	-	2,566,534	(1,864,354)
Increase (decrease) in pollution remediation obligations	(1,518,500)	-	-	(1,518,500)	99,365
Decrease in net pension liability	(7,568,612)	-	-	(7,568,612)	-
Increase in post-employment benefits payable	9,401,059	-	10,550,225	19,951,284	26,226,907
Net cash provided by (used in) operating activities	$ (271,264,609)	$ 309,930,913	$ (87,953,868)	$ (49,287,564)	$ (13,697,209)

See accompanying notes to financial statements.

(1) Organization

The Delaware Department of Transportation (the Department) is a major fund of the State of Delaware (the State). The Department has the overall responsibility for coordinating and developing comprehensive, balanced transportation planning and policies for the State. In addition, the Department has overall responsibility for maintenance and operation of roadways and bridges that fall under its jurisdiction. To assist the Department in their mission, the State and the Department created the Delaware Transportation Authority (the Authority), which includes the activities of the Transportation Trust Fund (the Trust Fund) and the Delaware Transit Corporation (DTC). The Authority is a body politic and corporate whose actions are overseen by the Secretary of Transportation (the Secretary), the Director of the Office of Financial Management and Budget, and the Administrator of the Trust Fund. The Authority's principal role is to provide financing to the Department and, as a result, is a blended component unit of the State and is included in these financial statements on a blended basis.

The Trust Fund was created by the State as a special fund with its corporate powers held by the Authority, under the Transportation Trust Fund Act of 1987 (the TTF Act). The underlying purpose of the TTF Act and the Trust Fund is to address the growing urgency to provide additional means to finance the maintenance and development of the integrated highway, air, and water transportation system in the State for the economic benefit of the State and for the welfare and safety of the users of the transportation system. The primary funding of the Trust Fund comes from motor fuel taxes, motor vehicle document fees, motor vehicle registration fees, and other transportation-related fees, which are imposed and collected by the State and transferred to the Trust Fund. The State has irrevocably pledged, assigned, and continuously appropriated to the Trust Fund these taxes and fees. The other major sources of revenue for the Trust Fund are the Delaware Turnpike and the Delaware SR-1 Toll Roads. The Authority may apply Trust Fund revenue for transportation projects, subject to the approval of the State, and may pledge any or all of this revenue to secure financing for these projects. The TTF Act also granted the Authority the power to issue bonds payable from and secured by the revenues pledged and assigned to the Trust Fund.

The trust agreements in effect are the Motor Fuel Tax Revenue Bond Trust Agreement (the Motor Fuel Tax Agreement), dated September 1, 1981, as supplemented, and the Transportation Trust Fund Agreement (the Trust Agreement), dated August 1, 1988, as supplemented. The Trust Agreement is a bond indenture, intended to ensure payment to bondholders through assets and revenues pledged to the Trust Fund. Pledged revenues fund certain accounts created under Section 4.02 of the Trust Agreement and, to the extent those revenues are not needed for that purpose, they are deposited, lien-free, to the Trust Fund. Surplus pledged revenues and nonpledged revenues of the Trust Fund may be used to fund the operations of the Department. The provisions of the Motor Fuel Tax Agreement and the Trust Agreement govern the disposition of revenues and other income and prescribe certain accounting practices, including the conditions for transfer of monies among the various funds and accounts held by the Authority or the Trustee and the use of such funds.

Pursuant to Title 2 of the Delaware Code, Sections 1304(a) and 1307(a) as enacted by 69 Delaware Law Chapter 435, DTC was created in Fiscal Year 1995 as a subsidiary public benefit corporation of the Authority. With approval of the Governor, the Secretary appoints the Director of DTC, who serves at the pleasure of the Secretary. The Authority provides significant operational subsidies to DTC annually. DTC is authorized to operate the public transportation system within the State and provides services directly to the public. As a result, it is a blended component unit of the Authority. Separate financial statements for DTC are available by writing to the State of Delaware Department of Transportation, 800 Bay Road, Dover, Delaware 19903.

(2) Summary of Significant Accounting Policies

(a) Measurement Focus and Basis of Accounting

The Department, which is comprised of three funds - DelDOT, the Trust Fund, and DTC, operates as an enterprise fund. The Department's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows.

(b) Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits, short-term money market securities, and other deposits held by financial institutions, generally with original maturities of three months or less when purchased.

The Department maintains cash escrow accounts for administrative purposes and has classified these cash balances as restricted. An offsetting liability is recorded in the accompanying statement of net position.

(c) Allowance for Doubtful Accounts

Accounts receivable are expected to be fully collectible at June 30, 2015, and accordingly, a provision for uncollectible accounts has not been established.

(d) Inventory

Inventory is accounted for at the lower of cost or market. Cost is determined using the weighted average method.

(e) Investments

Investments are recorded at fair value. Fair value is determined using quoted market prices in an active market, if available. For certain U.S. government agency and corporate fixed-income securities, for which an active market does not exist, fair value is determined using a discounted cash flow model. Significant inputs to the discounted cash flow model are the coupon, yield, and expected maturity date of the security.

(f) Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(g) Capital Assets

Capital assets, which include land, buildings, improvements, fixtures, equipment, and infrastructure assets (such as roads and bridges, which are normally immovable and of value only to the State), are reported in the Department's financial statements.

Capital assets are defined by the State as assets with an initial individual cost of more than $25,000 at the date of acquisition and an estimated useful life in excess of one year. It is the policy of the Department, with the exception of DTC, to capitalize all buildings and land regardless of cost, improvements to land and buildings when the cost of projects exceed $100,000, and infrastructure when the cost of individual items or projects exceeds $1,000,000. Such assets are recorded at historical cost, or estimated historical cost, if original cost is not determinable. Donated capital assets are recorded at estimated fair market value at the time of the donation. Buildings, improvements, fixtures, and equipment are depreciated on a straight-line basis.

Capital assets are defined by DTC as all assets purchased with State and federal grant funds, as well as any asset with a cost greater than $5,000 purchased with operating funds.

For assets not part of infrastructure, the costs of normal preservation, maintenance, and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

For infrastructure, the Department uses the "modified approach" to account for roads and bridges, as provided by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Under this process, the Department does not record depreciation expense nor are amounts expended in connection with improvements to these assets capitalized, unless the improvements expand the capacity or efficiency of an asset. Utilization of this approach requires the Department to: (1) commit to maintaining and preserving affected assets at or above a condition level established by the Department, (2) maintain an inventory of the assets and perform periodic condition assessments to ensure that the condition level is being maintained, and (3) make annual estimates of the amounts that must be expended to maintain and preserve assets at the predetermined condition levels.

The Department maintains two asset management systems, one for the roads and one for the bridges. In addition, the Department completes condition assessments on its roads and bridges at least every three years.

Buildings, improvements, fixtures, and equipment, other than those associated with service concession agreements, are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	5 - 40 years
Revenue vehicles	4 - 25 years
Service vehicles and equipment	3 - 20 years
Communications equipment	10 - 40 years
Furniture and fixtures	3 - 10 years
Bus signs and shelters	10 years

(h) Compensated Absences

Compensated absences are absences for which Department employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Department and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Department and its employees are accounted for in the period in which such services are rendered or such events take place.

(i) Line of Credit

The Trust Fund has a line of credit agreement with PNC Bank for $50,000,000 that matures November 2016. There were no borrowings against the line at June 30, 2015. The line bears interest on the amount that has been advanced from time to time pursuant to the bank loan agreements. At June 30, 2015, the rate was equal to 0.6975%.

(j) Revenue Recognition

Turnpike/Toll Revenue - Turnpike/Toll revenues consist primarily of fees for the usage of the Delaware Turnpike and the toll portion of Delaware SR-1 and are recognized at the time vehicles pass through the toll plazas.

Motor Fuel Tax Revenue - Motor fuel tax revenues are generally recognized at the time fuel is dispensed to the ultimate user.

Motor Vehicle Revenue - Motor vehicle revenues are recognized at the time services are provided to customers.

Passenger Fares - Passenger fare revenues are recorded at the time services are provided.

(k) Bond Issue Premiums/Discounts

Amortization of bond issue premiums/discounts is provided using the straight-line method over the life of the bond issue. Net amortization resulted in $20,260,657 of reductions of interest expense in 2015.

(l) Revenues and Expenses

The Department defines nonoperating revenues as federal grant revenue, investment income, and collections on loans previously written off. Pledged revenue represents taxes, fees, and investment income committed to repayment of revenue bonds. All other revenues are derived from normal operations of the Department. Nonoperating expenses are defined as grant expenses and interest expense. All other expenses are a result of normal operations.

(m) Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources are defined as consumption of net assets by the government that is applicable to future reporting periods. Deferred inflows of resources are defined as acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows increase net position, similar to assets, and deferred inflows decrease net position, similar to liabilities.

The components of deferred outflows of resources and deferred inflows of resources reported in the financial statements as of June 30, 2015 were as follows:

Deferred outflows of resources:	
Loss on refundings of debt	$ 20,448,278
Changes in employer proportionate share of net pension liability	212,160
Pension contributions made after the measurement date	8,740,682
Total deferred outflows of resources	$ 29,401,120
Deferred inflows of resources:	
Service concession arrangement	$ 18,942,857
Differences between projected and actual investment earnings on pension plan investments	23,136,512
Total deferred inflows of resources	$ 42,079,369

(n) New Accounting Standards Adopted

During the Fiscal Year Ended June 30, 2015, the Department adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pension plans, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. In addition, this Statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan. Adoption of GASB No. 68 resulted in the recognition of a net pension liability of $45,071,561 and a reduction of net position of $45,071,561 as of June 30, 2014.

GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date,* in November 2013. GASB No. 71 addresses an issue regarding application of the transition provisions of GASB No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer, or nonemployer contributing entity, to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The adoption of GASB No. 71 resulted in the recognition of deferred outflows and an increase in net position of $8,769,110 as of June 30, 2014.

(o) *Summarized Comparative Information*

The basic financial statements include certain prior year summarized comparative information in total, but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Department's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

(3) Cash and Investments

(a) *Cash Management Policy and Investment Guidelines*

The Department follows the *Statement of Objectives and Guidelines for the Investment of State of Delaware Funds* (the Policy) of the State's Cash Management Policy Board (the Board). The Board, created by State law, establishes policies for, and the terms, conditions, and other matters relating to, the investment of all money belonging to the State except money in the Delaware Pension Employee Retirement System, the Other Post-Employment Benefits Trust (the OPEB Trust), and money held under the State deferred compensation program. By law, all deposits and investments belonging to the State are under the control of the State Treasurer in various pooled investment funds (State Investment Pool) except for those that, by specific authority, are under the control of other agencies or component units, as determined by the Board. The Board, created by State law, establishes policies for, and the terms, conditions, and other matters relating to, the investment of all money belonging to the Department. Investments of the Department are further restricted to "Qualified Investments" as defined in the Trust Agreement.

All deposits and investments of the Department are categorized as "Authority Accounts."

As defined by the Policy, the investment objectives of Authority Accounts include maximizing yield and maintaining the safety of principal. At June 30, 2015, investments of the Department are primarily in U.S. government securities, U.S. government agency securities, and commercial paper rated in the highest rating category by either Moody's or Standard & Poor's. All of these meet the objectives defined by the Policy and are Qualified Investments in accordance with the Trust Agreement.

The Policy is available on the Office of the State Treasurer's website at http://treasury.delaware.gov.

(b) Custodial Credit Risk

Deposits

Per the Policy, all State deposits are required by law to be collateralized by direct obligations of, or obligations that are guaranteed by, the United States of America or other suitable obligations as determined by the Board, unless the Board shall find such collateralization not in the best interest of the State. The Board has determined that certificates of deposit and time deposits must be collateralized unless the bank issuing the certificate has assets of not less than $5 billion and is rated not lower than B by Fitch, Inc. Bank Watch.

The Board has also determined that State demand deposits need not be collateralized, provided that any bank that holds these funds has, for any quarter during the most recent eight quarters, a return on average assets of 0.5% or greater and an average capital ratio (total equity to total assets) of 5% or greater. If the bank does not meet either of these criteria, collateral must be pledged and shall consist of one or more of the following securities:

- U.S. government securities;
- U.S. government agency securities;
- Federal Home Loan Board letters of credit;
- State of Delaware securities; or
- Securities of a political subdivision of the State with a Moody's Investors Service rating of A or better.

Additionally, the bank must ensure that those securities pledged as collateral (except for Federal Home Loan Board letters of credit) have a market value equal to or greater than 102% of the total average monthly ledger balance(s) (net of Federal Deposit Insurance Corporation limits) held in all accounts and ensure that the securities pledged as collateral are housed at the Federal Reserve Bank. Financial institutions must provide reports on a monthly basis to the State Treasurer's Office detailing the collateral pledged and provide a Call Report on a quarterly basis to the State Treasurer's Office.

The Department's cash and cash equivalents held at external financial institutions at June 30, 2015 were $65,083,963, and the bank balances were $65,143,472. The differences between bank balances and carrying amounts resulted from outstanding checks and deposits-in-transit. Of the bank balances, $65,025,933 was covered by federal depository insurance or by collateral held by the Department's agent, in the Department's name, at June 30, 2015. The remaining bank balances of $117,539 were neither insured nor collateralized at June 30, 2015.

As of June 30, 2015, the Department also had $12,401,297 held in the State Investment Pool by the State Treasurer's Office. The State Treasurer's Office controls these funds and any investment decisions are made by the State Treasurer's Office. The State Investment Pool includes deposit accounts and short- and long-term investments. The deposits held in the State Investment Pool are allocated to the Department, but the custodial credit risk cannot be categorized for these deposits.

Investments

Investments of the Department are stated at fair value. At June 30, 2015, all of the Department's investments were insured or registered, with securities held by the Department or the counterparty in the Department's name.

(c) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the value of an investment. The Policy provides that maximum maturity for investments in Department accounts, at the time of purchase, shall not exceed 10 years, except when it is prudent to match a specific investment instrument with a known specific future liability, in which case the maturity limitation shall match the maturity of the corresponding liability.

The following table presents a listing of directly held investments and related maturities at June 30, 2015:

		Investment maturities (in years)		
Investment type	**Fair value**	**Less than 1**	**1 - 5**	**6 - 10**
U.S. government securities	$ 44,163,109	$ 7,465,654	$ 15,762,877	$ 20,934,578
U.S. government agency securities	133,670,692	96,036,031	16,993,478	20,641,183
Commercial paper	62,863,349	61,951,359	911,990	-
Total investments	$240,697,150	$165,453,044	$ 33,668,345	$ 41,575,761

(d) Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Department follows the Policy and the Trust Agreement by investing only in authorized securities. The Department's general investment policy for credit risk is to apply the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments.

In addition, the Trust Agreement limits investments in commercial paper to those with a Moody's rating of P-1 or a Standard & Poor's rating of A-1 for short-term investments. The Department had investments in commercial paper of $62,863,349 at June 30, 2015. All commercial paper held matures within five years and is rated in accordance with the Trust Agreement. The investments in U.S. government and government agency securities are rated at Aaa with Moody's and AA+ with Standard & Poor's.

(e) Investments in Excess of 5%

Concentration of credit risk is the risk of loss attributed to the magnitude of the Department's investments in a single issuer (5% or more of total investments). When investments are concentrated in one issuer, this concentration represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The investments in obligations explicitly guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure.

The Policy provides that the purchase of securities cannot exceed the following percentage of account limitations, valued at market. Investments due to mature in one business day may be excluded from the computation of said limitations.

A. U.S. government - no restrictions.

B. Government agency - 50% total; 20% in any one agency.

C. Certificates of deposit, time deposits, and bankers acceptances - 50% total; 5% in any one issuer.

   1. Domestic - No additional restrictions.

   2. Nondomestic - 25%.

   3. Delaware domiciled - Not more than the lesser of $10 million or 25% of an issuer's total equity capital may be invested in any one issuer. (Investments due to mature in one business day may be excluded from the computation of this percentage.)

D. Corporate debt - 50% total; 25% in any one industry; 5% in any one issuer, 5% of any issuer's total outstanding securities.

1. Domestic - No additional restrictions.
2. Nondomestic - 25%; 5% in any one issuer.

E. Repurchase agreements - 50% total.

F. Reverse repurchase agreements - 25% total.

G. Money market funds - 25% total; 10% in any one fund.

H. Canadian treasuries - 25% total; 10% in any one agency.

I. Canadian agency securities - 25% total; 10% in any one agency.

J. Mortgage-backed and asset-backed securities - 10% total (when combined with asset-backed securities and trust certificates, if applicable).

K. Municipal obligations - 5% in any one issuer.

L. Guaranteed investment contracts - Permitted where it is prudent to match a specific investment instrument with a known specific future liability, subject to credit quality guidelines for commercial paper and corporate bonds and debentures and with adequate exit provisions in the event of the future downgrade of the issuer.

M. Asset-backed securities and trust certificates - 10% total (when combined with mortgage-backed and asset-backed securities, if applicable).

The following issuers have investments at fair value in excess of 5% of the investment portfolio at June 30, 2015:

Federal National Mortgage Association	$ 94,370,094	39%
United States Treasury	44,163,109	18
Federal Home Loan Mortgage Corporation	29,108,830	12
Commonwealth Bank of Australia	14,499,285	6

(f) Investment Commitments

The Department has made no investment commitments as of June 30, 2015.

(g) Funding of Unpaid Loss Insurance Reserve Liability

Included in cash at Fiscal Years June 30, 2015 and 2014 was $- and $-, respectively, which will by utilized to fund the remaining loss insurance liability (Note 15) less the escrow insurance deposits.

(4) Capital Assets

Capital asset activity for the Fiscal Year Ended June 30, 2015 was as follows:

	Beginning balance	Increases	Decreases	Ending balance
Capital assets not being depreciated:				
Land	$ 288,612,090	$ 10,336,038	$ -	$ 298,948,128
Infrastructure	3,723,674,937	36,460,177	-	3,760,135,114
Service concession buildings and improvements	22,100,000	-	-	22,100,000
Construction-in-progress	34,086,538	2,451,633	(19,368,694)	17,169,477
Total capital assets not being depreciated	4,068,473,565	49,247,848	(19,368,694)	4,098,352,719
Capital assets being depreciated:				
Buildings and improvements	118,630,402	18,905,663	(5,000)	137,531,065
Furniture, vehicles, and equipment	296,476,030	27,806,694	(29,955,149)	294,327,575
Total capital assets being depreciated	415,106,432	46,712,357	(29,960,149)	431,858,640
Less accumulated depreciation for:				
Buildings and improvements	41,172,399	3,942,305	(5,000)	45,109,704
Furniture, vehicles, and equipment	170,100,989	23,250,550	(29,541,693)	163,809,846
Total accumulated depreciation	211,273,388	27,192,855	(29,546,693)	208,919,550
Total capital assets being depreciated, net	203,833,044	19,519,502	(413,456)	222,939,090
Total capital assets, net	$ 4,272,306,609	$ 68,767,350	$ (19,782,150)	$ 4,321,291,809

Depreciation expense for Fiscal Year 2015 was $27,192,855.

(5) Changes in Long-Term Liabilities

Long-term liability activity for the Fiscal Year Ended June 30, 2015 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Revenue bonds	$ 939,055,000	$ -	$ (77,655,000)	$ 861,400,000	$ 72,580,000
General obligation bonds	103,426	-	(103,426)	-	-
Bond issue premium, net of accumulated amortization	65,739,194	-	(20,260,657)	45,478,537	11,902,313
Insurance loss reserve	12,011,000	5,180,731	(5,537,731)	11,654,000	2,485,340
Post-employment benefits	194,503,873	31,551,284	(11,600,000)	214,455,157	-
Pollution remediation obligations	3,511,500	-	(1,518,500)	1,993,000	685,000
Net pension liability	-	14,114,288	-	14,114,288	-
Compensated absences	12,266,595	-	(351,656)	11,914,939	2,090,328
Long-term liabilities	$ 1,227,190,588	$ 50,846,303	$ (117,026,970)	$ 1,161,009,921	$ 89,742,981

(6) Revenue Bonds Outstanding

Date of issue/maturity	Amount of original issue	Description and fixed interest rates	Bonds outstanding at June 30, 2015
Senior Bonds:			
2005/2025	150,000,000	Transportation System Senior Revenue Bonds, 2005, 5.00%	$ 7,870,000
2006/2026	127,445,000	Transportation System Senior Revenue Bonds, 2006, 3.50% - 5.00%	39,035,000
2007/2021	87,890,000	Transportation System Senior Revenue Bonds, 2007A, 4.00% - 5.00%	50,135,000
2008/2028	84,720,000	Transportation System Senior Revenue Bonds, 2008A, 4.00% - 5.00%	62,575,000
2008/2029	117,875,000	Transportation System Senior Revenue Bonds, 2008B, 5.00%	97,620,000
2009/2029	105,315,000	Transportation System Senior Revenue Bonds, 2009A, 5.00%	92,180,000
2010/2019	47,715,000	Transportation System Senior Revenue Bonds, 2010A, 5.00%	32,990,000
2010/2030	72,120,000	Transportation System Senior Revenue Bonds, 2010B, 3.95% - 5.80%	72,120,000
2012/2024	222,870,000	Transportation System Senior Revenue Bonds, 2012, 3.00% - 5.00%	211,540,000
2014/2024	108,760,000	Transportation System Senior Revenue Bonds, 2014, 2.25% - 5.00%	108,760,000
GARVEE Bonds:			
2010/2025	113,490,000	Transportation System Grant Anticipation Bonds, 2010, 3.25% - 5.00%	86,575,000
		Total bonds payable	861,400,000
		Less: current portion	72,580,000
		Long-term portion	$788,820,000

The State has pledged turnpike, motor fuel tax, and motor vehicle fee revenues to the Trust Fund in order to support repayments of revenue bonds. Proceeds from the revenue bonds were used to finance the infrastructure maintenance, preservation, and construction-related projects of the State's highway transportation system, as well as security for the repayment of the outstanding revenue bonds of the Authority.

The revenue bonds do not constitute a debt of the State or of any political subdivision thereof, or a pledge of the general taxing power or the faith and credit of the State or of any such political subdivision.

Annual principal and interest payments on the revenue bonds are expected to require less than 35% of pledged revenues. Principal and interest paid on the revenue bonds for the Fiscal Year Ended June 30, 2015 was $119,121,644

The Transportation System Senior Revenue Bonds have fixed interest rates and are limited obligations of the Authority secured only by the pledged revenues of the Trust Fund. The pledged revenues of the Authority were as follows at June 30, 2015:

Pledged operating revenues	$	411,005,078
Investment income		1,844,953
Total pledged revenues	$	412,850,031

The Transportation System GARVEE Bonds have fixed interest rates and are limited obligations of the Authority secured by and payable solely from the annual federal appropriation for the State's federal aid transportation projects. On average, the State has been apportioned approximately $160 million in federal highway aid annually over the past five fiscal years. At that level, principal and interest payments on the GARVEE bonds are expected to require approximately 6.5% of pledged federal highway aid annually. While the Authority believes that sufficient pledged federal highway aid will be available during the term of the bonds to meet all required principal and interest payments, various factors beyond the Authority's control may impact the ability to make all payments when due, including, but not limited to, subsequent reauthorization of federal highway aid and federal budgetary limitations.

At June 30, 2015, the Authority had a total of $262,369,957 in authorized but unissued revenue bonds, including $11,510,000 in GARVEE bond authorization, to fund a portion of the Department of Transportation Capital Improvement Program.

The annual requirement to amortize all revenue bonds payable as of June 30, 2015 was as follows:

Years ending June 30,		Principal maturity		Interest maturity		Total
2016	$	72,580,000	$	39,767,858	$	112,347,858
2017		70,595,000		36,317,308		106,912,308
2018		69,880,000		32,895,008		102,775,008
2019		73,945,000		29,336,333		103,281,333
2020		74,185,000		25,684,475		99,869,475
2021 - 2025		338,290,000		77,410,200		415,700,200
2026 - 2030		154,715,000		19,277,974		173,992,974
2031		7,210,000		209,090		7,419,090
	$	861,400,000	$	260,898,246	$	1,122,298,246

(7) Debt Defeasance

The Authority has defeased various bond issues by creating separate irrevocable trust funds. New debt had been issued and the proceeds had been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures.

For financial reporting purposes, the debt is considered defeased, and therefore, not reported as a liability. As of June 30, 2015, the amount of defeased debt outstanding amounted to $130,535,000.

(8) Restricted Net Position

Restricted net position was as follows at June 30, 2015:

Pension funds:		
Prepaid DTC pension contribution	$	253,443
Rebate funds:		
Amounts generated from operations to meet future arbitrage rebate requirements		366,165
Debt service funds:		
Amounts generated from operations required by the Trust Agreement to be provided to meet current principal and interest payments		87,935,654
Debt reserve funds:		
Amounts generated from operations required by the Trust Agreement to be provided as a reserve for future principal and interest payments		64,411,921
Highway beautification funds:		
Amounts held in trust to be used for highway beautification		202,695
Total restricted net position	$	153,169,878

(9) International Registration Plan

The Department participates in the International Registration Plan (IRP) pursuant to Section 4008 of the Intermodal Surface Transportation Efficiency Act of 1997 (ISTEA). ISTEA requires jurisdictions to join base state agreements for the collection and distribution of commercial vehicle registration fees. IRP is an agreement among member jurisdictions whereby commercial registration fees are collected and reallocated based on a proration of miles traveled in each jurisdiction. Net revenues recorded during Fiscal Year 2015 were $9,222,460. IRP fees are included in motor vehicle registration fee revenue.

(10) International Fuel Tax Agreement

The Department participates in the International Fuel Tax Agreement (IFTA). IFTA is an agreement among member jurisdictions whereby commercial license fees are collected and reallocated based on a proration of miles traveled in each jurisdiction. Net revenues recorded during Fiscal Year 2015 were $2,694,453.

(11) DTC Union Contracts

Operators and maintenance personnel of the North District Fixed Route system are represented by the Amalgamated Transit Union AFL-CIO, Local 842. The term of the current Collective Bargaining Agreement covers the period September 1, 2013 through August 31, 2016.

Paratransit Specialists statewide and South District Fixed Route Operators are also represented by the Amalgamated Transit Union AFL-CIO, Local 842, under a separate Collective Bargaining Agreement. The term of the current Collective Bargaining Agreement covers the period September 1, 2013 through August 31, 2016.

Certain administrative, operations, and maintenance personnel are represented by the Office and Professional Employee International Union AFL-CIO, Local 32. The term of the current Collective Bargaining Agreement covers the period January 1, 2013 through December 31, 2016.

(12) Pension Plan

A. State Employees' Pension Plan

With the exception of DTC employees (see Note 12B); the Department's full-time employees are covered by the State Employees' Pension Plan, a cost-sharing, multiple-employer, defined benefit plan, which is administered by the Delaware Public Employees Retirement System (DPERS). The General Assembly is responsible for setting benefits and contributions and amending plan provisions; administrative rules and regulations are adopted and maintained by the Board of Pension Trustees (the Board).

Detailed information concerning the State Employees' Pension Plan is presented in its publicly available annual basic financial statements, which can be obtained by writing the State Board of Pension Trustees and Office of Pensions, McArdle Building, Suite 1, 860 Silver Lake Blvd., Dover, Delaware 19904-2402.

(1) Plan Description and Eligibility

The State Employees' Pension Plan covers virtually all full-time or regular part-time employees of the State, including employees of other affiliated entities. There are two tiers within this plan: 1) Employees hired prior to January 1, 2012 (Pre-2012) and 2) Employees hired on or after January 1, 2012 (Post-2011).

Service Benefits

Final average monthly compensation (employees hired Post-2011 may not include overtime in pension compensation) multiplied by 2% and multiplied by the years of credited service prior to January 1, 1997, plus final average monthly compensation, multiplied by 1.85%, and multiplied by years of credited service after December 31, 1996, subject to minimum limitations. For this plan, the average monthly compensation is the monthly average of the highest three periods of 12 consecutive months of compensation.

Vesting

Pre-2012 date of hire members are fully vested after five years of credited service and Post-2011 date of hire members are fully vested after 10 years of credited service.

Retirement

Pre-2012 date of hire members are eligible to retire at age 62 with five years of credited service; age 60 with 15 years of credited service; or after 30 years of credited service at any age. Post-2011 date of hire members are eligible to retire at age 65 with at least 10 years of credited service; age 60 with 20 years of credited service; or with 30 years of credited service at any age.

Disability Benefits

Pre-2012 date of hire members receive the same as service benefits and must have five years of credited service. In lieu of disability pension benefits, over 90% of members of this plan opted into the Disability Insurance Program offered by the State effective January 1, 2006. Post-2011 date of hire members are provided disability benefits through the State's Disability Insurance Program.

Survivor Benefits

If the deceased member is receiving a pension, the eligible survivor receives 50% of the pension (or 75% with a 3% reduction of benefit). If the deceased member is active with at least five years of credited service, the eligible survivor receives 75% of the benefit the employee would have received at age 62.

Burial Benefit

The burial benefit is $7,000 per member.

Contributions

The Board's employer-determined contributions, based principally on an actuarially determined rate, were 9.5% for Fiscal Year 2014. The Department's contributions to the plan were $6,702,782. Pre-2012 date of hire members are required to contribute 3% of earnings in excess of $6,000, and Post-2011 date of hire members are required to contribute 5% of earnings in excess of $6,000.

(2) *Allocation Percentage Methodology*

In accordance with GASB 68, DPERS prepared a Schedule of Pension Amounts by Participating Employer, which calculates the employer's proportionate share of the State Employees' Pension Plan's collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. DPERS management has elected to allocate the employer's proportionate shares of the collective pension amounts based on the percentage of actual employer contributions. The Department's proportionate share of the collective pension amounts was 3.8332% and 3.8097% at June 30, 2014 and 2013, respectively.

(3) *Net Pension Liability*

For the Fiscal Year Ended June 30, 2015, the Department reported a net pension liability in the amount of $14,114,288 for its proportionate share of the State Employees' Pension Plan's collective net pension liability. The net pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of June 30, 2013, and update procedures were used to roll forward the total pension liability to June 30, 2014. The Department reported a decrease in beginning net assets of $41.3 million to account for the net pension liability balance at July 1, 2014. The collective total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation at June 30, 2013. The actuarial valuation and related update procedures used the following actuarial assumptions:

Investment rate of return/discount rate, including inflation	7.20%
Projected salary increases, including inflation	3.50% to 11.50%
Cost-of-living adjustments	Ad-hoc
Inflation	3.00%

These assumptions are based on an experience study conducted in 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality rates were based on the Sex Distinct RP - 2000 Combined Mortality Table projected to 2015 using scale AA for Males or Females, as appropriate, for mortality improvement.

Long-Term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage, which is based on the nature and mix of current plan investments, and adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the DPERS's current and expected asset allocation is summarized in the following table.

Asset class	Long-term expected real rate of return
Domestic equity	5.7%
International equity	5.7
Fixed income	2.0
Alternative investments	7.0
Cash and cash equivalents	7.8

Discount Rate - The discount rate for all plans used to measure the total pension liability was 7.2%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at rates determined by the Board, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the Department's proportionate share of the State Employees' Pension Plan's net pension liability, calculated using the discount rate of 7.2%, as well as what the Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or higher than the current rate (expressed in thousands):

1% Decrease	Discount rate	1% Increase
$ 52,896	$ 14,114	$ (18,664)

Expected and Actual Experience Differences - The difference between expected and actual experience with regard to economic and demographic factors is amortized over the weighted average of the expected remaining service life of active and inactive members, which is six years. The first year of amortization is recognized as pension expense, with the remaining years recognized as either a deferred outflow or deferred inflow of resources. The collective amount of the difference between expected and actual experience for the Fiscal Year Ended June 30, 2014 was $0.

Change in Assumptions - The change in assumptions about future economic or demographic factors or other inputs is amortized over the weighted average of the expected remaining service life of active and inactive plan members, which is six years. The first year of amortization is recognized as pension expense, with the remaining years recognized as either a deferred outflow or deferred inflow of resources. The collective amount of change in assumptions for the Fiscal Year Ended June 30, 2014 was $0.

Changes in Employer Proportionate Share - The change in employer proportionate share is the amount of the difference between the employer proportionate share of the net pension liability in the prior year compared to the current year. This change in proportion is amortized over the weighted average of the expected remaining service life of active and inactive plan members, which is six years. The first year of amortization is recognized as pension expense, with the remaining years recognized as a deferred outflow of resources. The amount of difference of the Department's proportionate share from Fiscal Year 2013 to Fiscal Year 2014 was $254,592, of which $42,432 was recognized in current year pension expense and $212,160 was recognized as a deferred outflow of resources at June 30, 2015.

Differences between Projected and Actual Investment Earnings on Pension Plan Investments - The difference between the actual earnings on plan investments compared to the plan's expected rate of return of 7.2% is amortized over a closed period of five years. The first year of amortization is recognized as pension expense, with the remaining four years recognized as a deferred inflow of resources. The collective amount of the difference between projected and actual earnings for the Fiscal Year Ended June 30, 2014 was $28,037,681, of which $5,607,536 was recognized in current year pension expense and $22,430,145 was recognized as a deferred inflow of resources at June 30, 2015.

(4) Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the Fiscal Year Ended June 30, 2015, the Department recognized $2.8 million in pension expense, which represents its proportionate share of the State Employees' Pension Plan's collective pension expense.

As of June 30, 2015, the Department reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Net difference between projected and actual earnings on plan investments	$ -	$ 22,430,145
Net difference to change in proportion	212,160	-
Contributions made subsequent to the measurement date	6,508,133	-
Totals	$ 6,720,293	$ 22,430,145

Contributions made subsequent to the measurement period of June 30, 2014 (Fiscal Year 2015 contributions) will be recognized as a reduction to the net pension liability in Fiscal Year 2016. The remaining components of collective deferred outflows of resources and deferred inflows of resources, other than the difference between the projected and actual earnings on DPERS investments, are amortized into pension expense over a closed period, which reflects the weighted average remaining service life of all plan members, beginning in the year in which the deferred amount occurs. The amortization period is six years for the State Employees' Pension Plan for deferred amounts arising in 2014. The annual difference between the projected and actual earnings on investments is amortized over a five-year closed period beginning the year in which the difference occurs. The net amount of the Department's proportionate share of the net collective deferred outflows (inflows) will be recognized in pension expense during the Fiscal Years Ended June 30,:

2016	$ (5,565,104)
2017	(5,565,104)
2018	(5,565,104)
2019	(5,565,104)
2020	42,431

B. DTC Pension Plans

(1) Plan Descriptions

DTC administers the Delaware Transit Corporation Pension Plan (DTC Plan) and the DART Contributory Pension Plan (DART Plan).

The DTC Plan is a single-employer, defined benefit, contributory plan covering noncollectively bargained employees of DTC, Delaware Authority for Regional Transit (DART), and Delaware Administration for Special Transit.

The DART Plan is a single-employer, defined benefit, contributory plan covering members of Local 32, Office and Professional Employees International Union AFL-CIO, and Local 842, Amalgamated Transit Union AFL-CIO and its collective bargaining units: the North District Fixed Route and Maintenance Employees and the Paratransit and Greater Dover Area Fixed Route Drivers, who are employed by DTC.

Each plan provides retirement, disability, and death benefits to plan members and beneficiaries.

Both plans issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing DTC at 900 Public Safety Boulevard, Dover, Delaware 19901-4503.

At June 30, 2014, the following employees were covered by the DTC Plan:

Active members	256
Inactive members or beneficiaries currently receiving benefits	52
Terminated, vested members	53
Total	361

At December 31, 2014, the following employees were covered by the DART Plan:

Active members	648
Inactive members or beneficiaries currently receiving benefits	155
Terminated, vested members	72
Total	875

(2) *Benefits*

The DTC Plan provides retirement, disability, and death benefits. All employees with 10 years of credited service are eligible to retire at age 55. All employees may retire at any age after 25 years of credited service or upon reaching the age of 62. If an employee terminates their employment after at least five years of credited service, but before normal retirement age, they may defer pension benefits until reaching retirement age. Employees who retire after reaching normal retirement age with at least five years of credited service are entitled to receive pension benefits equal to 70% of the participant's average earnings, offset by 100% of the primary insurance amount, reduced by 1/25 for each year of service less than 25, at the later of the participant's normal retirement date or actual retirement, computed to the nearest dollar. Benefits fully vest after five years of credited service. The disability retirement benefit of a participant shall be the participant's normal retirement benefit determined by computing their average earnings for the period ending on the last day that the employee worked prior to commencement of disability. Death benefits for a participant who dies while employed after completing five years of credited service is equal to 75% of the service pension to which the participant would have been eligible at age 65; for a former participant who dies after completing five years of service, 50% of the accrued benefit that would have been payable at age 65.

The DART Plan provides retirement, disability, and death benefits. All employees with 10 years of credited service are eligible to receive pension benefits at age 65. All employees may retire at any age after 25 years of credited service or upon reaching the age of 65 with a minimum of five years of continuous service. If an employee terminates their employment after at least five years of continuous service, but before normal retirement age, they may defer pension benefits until reaching retirement age. Monthly benefits are calculated as $65 multiplied by the applicable years of service credited to the eligible participant. DTC may offset its contribution by the employer contributions made on behalf of a participant who terminated and withdrew their contributions. Upon the death of a retiree or active participant, a lump-sum payment will be made comprised of the aggregate of the participant's contributions that exceed the aggregate of the payments that have been made to the participant.

(3) Funding Policy

For the DTC Plan, DTC retains the authority to establish, evaluate, and amend the obligations to contribute to the Plan. DTC's annual contribution determined by the actuary is funded monthly until the required contribution is met. Employees hired after June 30, 2012 are required to contribute 3% of eligible annual compensation in excess of $6,000.

For the DART Plan, the DTC Pension Committee retains the authority to establish, evaluate, and amend the obligations to contribute to the Plan of both the Plan members, as collectively bargained, and DTC. Plan members are required to contribute 5% of their hourly wages for each hour worked to a maximum of 2,080 hours per year. DTC contributes 5% of the regular hourly wages to the Plan.

The contributions recognized by the DTC Plan and the DART Plan during the Fiscal Year Ended June 30, 2015 were $1,157,550 and $908,777, respectively.

(4) Net Pension Liability (Asset)

The DTC Plan's net pension liability (asset) for the Fiscal Year Ended June 30, 2015 was determined by an actuarial valuation as of June 30, 2014. Update procedures were used to roll forward the 2014 valuation results. There have been no changes between the measurement date of the net pension liability (asset) and the report date that are expected to have a significant effect on the net pension liability (asset).

The total pension liability used to calculate the net pension liability (asset) was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.5%, net of plan investment expense, including inflation
Salary increases	2.5%, including inflation
Inflation	2.0%
Mortality	RP-2000 Combined Healthy tables with generational projection by Scale AA

The long-term expected rate of return on DTC Plan investments was determined using a building-block method where return expectations are established for each asset class. The building-block approach uses the current underlying fundamentals, not historical returns. These return expectations are weighted based on the following asset/target amounts:

Asset class	Long-term expected real rate of return
Domestic equity	5.2%
International equity	5.2
Emerging equity	5.7
Core fixed income	3.0
Intermediate IG Corp	3.8
Bank loans	2.7
High yield	4.3
Emerging debt	4.8

The DART Plan's net pension asset/liability for the calendar year ended December 31, 2014 was determined by an actuarial experience study as of January 1, 2015. There have been no changes between the measurement date of the net pension asset/liability and the report date that are expected to have a significant effect on the net pension asset/liability. The total pension liability used to calculate the net pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.0%
Salary increases	4.0%, including inflation
Inflation	2.0%
Mortality	RP-2000 Blue Collar table without any future mortality improvements

The long-term expected rate of return on DART Plan investments was determined using a building-block method where return expectations are established for each asset class. The building-block approach uses the current underlying fundamentals, not historical returns. These return expectations are weighted based on the following asset/target amounts:

Asset class	Long-term expected real rate of return
Domestic equity	5.2%
International equity	5.2
Emerging equity	5.7
Core fixed income	3.0
Intermediate IG Corp	3.8
Bank loans	2.7
High yield	4.3
Emerging debt	4.8
Cash equivalents	0.8

(5) Discount Rate

The discount rate used to measure the total pension liability was 7.5% for the DTC Plan and 7.0% for the DART Plan. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from DTC will be made at rates determined by the Pension Committee, actuarially calculated. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(6) *Changes in the Net Pension Liability (Asset)*

Changes in DTC's net pension liability (asset) for the Fiscal Year Ended June 30, 2015 were as follows:

	DTC Plan			DART Plan			Total		
	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a) - (b)	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a) - (b)	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a) - (b)
Balances at 7/1/13 (DTC Plan) and 1/1/14 (DART Plan)	$ 20,057,790	$ 17,937,922	$ 2,119,868	$ 37,483,272	$ 39,495,181	$ (2,011,909)	$ 57,541,062	$ 57,433,103	$ 107,959
Changes for the year:									
Service cost	840,320	-	840,320	1,765,669	-	1,765,669	2,605,989	-	2,605,989
Interest	1,483,009	-	1,483,009	2,675,064	-	2,675,064	4,158,073	-	4,158,073
Changes of benefit terms	-	-	-	1,029,691	-	1,029,691	1,029,691	-	1,029,691
Differences between expected and actual experience	-	-	-	4,126	-	4,126	4,126	-	4,126
Contributions - employer	-	1,157,550	(1,157,550)	-	908,777	(908,777)	-	2,066,327	(2,066,327)
Contributions - member	-	30,251	(30,251)	-	1,262,888	(1,262,888)	-	1,293,139	(1,293,139)
Net investment income	-	2,443,142	(2,443,142)	-	2,605,668	(2,605,668)	-	5,048,810	(5,048,810)
Benefit payments, including refunds of member contributions	(568,654)	(568,654)	-	(2,103,050)	(2,103,050)	-	(2,671,704)	(2,671,704)	-
Administrative expenses	-	(115,578)	115,578	-	(133,417)	133,417	-	(248,995)	248,995
Net changes	1,754,675	2,946,711	(1,192,036)	3,371,500	2,540,866	830,634	5,126,175	5,487,577	(361,402)
Balances at 6/30/14 (DTC Plan) and 12/31/14 (DART Plan)	$ 21,812,465	$ 20,884,633	$ 927,832	$ 40,854,772	$ 42,036,047	$ (1,181,275)	$ 62,667,237	$ 62,920,680	$ (253,443)

(7) *Sensitivity of Net Pension Liability (Asset) to Changes in the Discount Rate*

The sensitivity of the net pension liability to changes in the DTC Plan's discount rate as of June 30, 2014, and the DART Plan's discount rate as of December 31, 2014 is as follows:

	1% Decrease	Current Discount rate	1% Increase
DTC Plan (7.5%)	$ 3,619,855	$ 927,832	$ (1,343,018)
DART Plan (7.0%)	$ 3,236,223	$ (1,181,275)	$ (4,978,492)

(8) *Expected and Actual Experience Difference*

The difference between expected and actual experience with regard to economic and demographic factors is amortized over the weighted average of the expected remaining service life of active and inactive members, which is six years. The first year of amortization is recognized as pension expense, with the remaining years recognized as either a deferred outflow or deferred inflow of resources. The collective amount of the difference between expected and actual experience for the Fiscal Year Ended June 30, 2014 and December 31, 2014 was $0.

(9) *Change in Assumptions*

The change in assumptions about future economic or demographic factors or other inputs is amortized over the weighted average of the expected remaining service life of active and inactive plan members, which is six years. The first year of amortization is recognized as pension expense, with the remaining years recognized as either a deferred outflow or deferred inflow of resources. The collective amount of change in assumptions for the Fiscal Year Ended June 30, 2014 and December 31, 2014 was $0.

(10) *Difference between Projected and Actual Investment Earnings on Pension Plan Investments*

The difference between the actual earnings on plan investments compared to the DTC Plan's expected rate of return of 7.5% and DART Plan's expected rate of return of 7.0% is amortized over a closed period of five years. The first year of amortization is recognized as pension expense with the remaining four years recognized as a deferred inflow of resources. The collective amount of the difference between projected and actual earnings for the Fiscal Year Ended June 30, 2014 and December 31, 2014 was $706,367.

(11) Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

The components of pension expense for the DTC Plan and DART Plan for Fiscal Year 2015 were as follows:

	DTC Plan	DART Plan
Service cost	$ 840,320	$ 1,765,669
Interest	1,483,009	2,675,064
Member contributions	(30,251)	(1,262,888)
Benefit changes	-	1,029,691
Difference between actual and expected experience	-	4,126
Administrative expenses	115,578	133,417
Projected earnings on plan investments	(1,364,227)	(2,762,433)
Amortization of investment return differences	(215,783)	-
Pension expense	$ 828,646	$ 1,582,646

For the Fiscal Year Ended June 30, 2015, DTC reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Contributions made subsequent to the measurement date	$ 2,232,549	$ -
Pension plan investment return differences	-	706,367
Totals	$ 2,232,549	$ 706,367

Amounts reported as deferred outflows of resources will be recognized as a reduction to the net pension liability in Fiscal Year 2016. Amounts reported as deferred inflows of resources will be recognized in pension expense as follows:

2016	$ 184,430
2017	184,430
2018	184,430
2019	184,430
2020	(31,353)

(13) Other Post-Employment Benefits (OPEB)

With the exception of DTC employees (see Note 13A), the Department's eligible employees are covered under the OPEB Trust.

(a) Plan Description

On July 1, 2007, the OPEB Trust was established pursuant to Section 115 of the Internal Revenue Code and separate from the DPERS. The OPEB Trust is administered by the DPERS Board of Directors. Policy for and management of the OPEB benefits provided to retirees are the responsibility of the State. No stand-alone financial report is issued for the OPEB Trust.

The OPEB Trust is a single-employer, defined benefit plan. The OPEB Trust provides retirement medical coverage to pensioners and their eligible dependents in the State Employees', Judiciary, Open State Police, and Closed State Police pension plans. The State of Delaware has elected to assume the OPEB liability on behalf of employees who participate in the State's pension plan but are employed at outside agencies including Delaware State University, University of Delaware, Delaware State Housing Authority, Delaware Charter Schools, and Delaware Solid Waste Authority.

Membership of the plan consisted of the following at June 30, 2015:

Retirees and beneficiaries receiving benefits	20,970
Terminated plan members entitled to, but not yet receiving, benefits	3,205
Active eligible plan members	36,748
Total	60,923

The Department has approximately 1,700 active eligible plan members, which is the basis on which plan costs are allocated.

Substantially all State employees become eligible for post-retirement benefits if they reach retirement age while working for the State. The costs of providing these benefits are shared between the State and the retired employee. The plan provisions are as follows:

Eligibility

State employees:

Early Retirement: Age 55 with 15 years of service or any age with 25 years of service.

Normal Retirement (hired before January 1, 2012): Age 62 with five years of service, age 60 with 15 years of service, or any age with 30 years of service.

Normal Retirement (hired on or after January 1, 2012): Age 65 with 10 years of service, age 60 with 20 years of service, or any age with 30 years of service.

Judges:

Normal Retirement (before July 1, 1980): Age 65 with 12 years of service, any age with 24 years of service, or involuntarily retired after 22 years of service as a judge.

Normal Retirement (after June 30, 1980): Age 62 with 12 years of service, any age with 24 years of service, or involuntarily retired after 22 years of service as a judge.

Closed State Police:

Normal Retirement: Age 55 or 20 years of service.

Open State Police:

Normal Retirement: Employed at age 55 with 10 years of service, any age with 20 years of service, or 10 years of service when age plus service equals 75.

Benefits

During the Fiscal Year Ended June 30, 2015, the State provided health insurance options through several providers.

Spouse and Survivor Coverage

Both are available under any of the plan options with similar retiree contributions.

Employee Contributions

If hired prior to July 1, 1991, no contributions are required. If hired on or after July 1, 1991 (except disability pension), contributions depend on years of service, as follows:

Years of service	Percent of premium paid by State
Less than 10	0 %
10 - 14	50
15 - 19	75
20 or more	100

(b) Funding Policy

The State funds the OPEB Trust for current retirees on a pay-as-you-go basis along with funding for future benefits at a rate that is approved in the annual budget, but not actuarially determined. Additional funding has also been provided on an ad-hoc basis. By State statute Chapter 52, Title 29 of the Delaware Code, contribution requirements of plan members and the government are established and may be amended by the State Legislature. Funds are recorded in the OPEB Trust for the payment of retiree healthcare claims and administrative and investment expenses. Administrative costs are financed through investment earnings. State appropriations, other employer contributions, and retiree contributions for healthcare are recorded in the OPEB Trust. The funds available are invested under the management of the DPERS Board of Pension Trustees, which acts as the Board of Trustees for the OPEB Trust and is responsible for the financial management of the OPEB Trust.

(c) Contributions

The contribution rates for the employer and retiree are established annually by the budgeting process of the State. Those rates include an employer contribution based on projected pay-as-you-go financing requirements as a percentage of covered payroll, with an additional amount to pre-fund benefits, which is not actuarially determined. For Fiscal Year 2015, the State contribution in relation to the annual required contribution (ARC) totaled $226.3 million. The portion of the contribution allocated to the Department for Fiscal Year 2015 was $11.4 million.

Retiree contribution rates are affected by the retiree date of hire, with eligible retirees hired after June 30, 1991 paying a proportionately higher rate if their years of service total less than 20. Retiree contributions for health coverage during Fiscal Year 2015 totaled $8.0 million.

(d) Annual OPEB Cost and Net OPEB Obligation

The State's annual OPEB cost is calculated based on the ARC, an amount actuarially determined in accordance with GAAP. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of 30 years. Amounts "required" but not actually set aside to pay for these benefits are accumulated as part of the net OPEB obligation.

The following table shows the components of the State's annual OPEB cost, the amount actually contributed to the Plan, the State's net OPEB obligation, and the amounts allocated to the Department for the Fiscal Year Ended June 30, 2015:

	(in Millions)	
	State total	**Department allocation**
Net OPEB obligation as of June 30, 2014	$ 1,988.6	$ 103.6
Annual required contribution	404.4	20.4
Interest on net OPEB obligation	84.5	4.2
Adjustment to annual required contribution	(76.7)	(3.9)
Annual OPEB cost	2,400.8	124.3
Employer contributions	(226.3)	(11.4)
Net OPEB obligation as of June 30, 2015	$ 2,174.5	$ 112.9

The Department's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation are as follows (dollar amounts in millions):

Fiscal Year Ended	Annual OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB obligation
06/30/2015	$ 124.3	9 %	$ 112.9
06/30/2014	113.9	9	103.6
06/30/2013	103.5	10	92.8

(e) ***Funded Status and Funding Progress***

As of June 30, 2015, the plan was 4.9% funded. The actuarial accrued liability for benefits was $6,321.2 million, and the actuarial value of assets was $312.4 million, resulting in an unfunded actuarial accrued liability (UAAL) of $6,008.8 million for the State. The covered payroll (annual payroll of active employees covered by the Plan) was $2,048.0 million, and the ratio of the UAAL to the covered payroll was 293.4%. Specific amounts related to the Department cannot be determined.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

(f) ***Actuarial Methods and Assumptions***

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the OPEB plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2015 actuarial valuation, the entry age normal actuarial cost method was used. Investments are valued at fair value. The actuarial assumptions included a 4.25% investment rate of return, which is a blended rate of the expected long-term investment returns on plan assets and on the State's own investments calculated based on the funded level of the plan at the valuation date, and an initial medical inflation rate of 4.25%. The UAAL is being amortized as a level percentage of projected payroll on a level percent open basis over 30 years using a 3.25% rate of salary increase.

A. DTC OPEB

(1) Plan Description

In June 2010, the Delaware Transit Corporation OPEB Fund Trust (the DTC OPEB Trust) was established pursuant to Section 115 of the Internal Revenue Code. The DTC OPEB Trust is administered by DTC. Policy for and management of the OPEB benefits provided to retirees are the responsibility of DTC. No stand-alone financial report is issued for the DTC OPEB Trust.

The DTC OPEB Trust is a single-employer, defined benefit plan. The DTC OPEB Trust provides retirement medical insurance coverage to retired employees and their eligible dependents. DTC has elected to assume the DTC OPEB Trust liability on behalf of all of its employees.

Membership of the plan consisted of the following at June 30, 2014:

Retirees and beneficiaries receiving benefits	148
Terminated plan members entitled to, but not yet receiving, benefits	31
Active eligible plan members	817
Total	996

Substantially all DTC employees become eligible for post-retirement benefits if they reach retirement age while working for DTC. The plan provisions are as follows:

Eligibility

Contract Employees:

Age 65 with five years of service or after attaining 25 years of service.

Normal Retirement:

Age 55 with 10 years of service or age 62 with five years of service.

Benefits

During the Fiscal Year Ended June 30, 2015, DTC provided health insurance options through several providers.

Spouse and Survivor Coverage

Surviving spouses of participants are allowed access to the plan and receive the same subsidy as retirees.

Employee Contributions

No contributions are required by the employees.

(2) ***Funding Policy***

DTC funds the DTC OPEB Trust on a pay-as-you-go basis with additional funding provided on an ad-hoc basis. Funds are recorded in the DTC OPEB Trust for the payment of retiree healthcare claims and administrative and investment expenses. Administrative costs are financed through investment earnings. Employer contributions and retiree contributions for healthcare are recorded in the DTC OPEB Trust. The funds available are invested under DTC's management, which acts as the Trustee and is responsible for the financial management of the DTC OPEB Trust. The cash basis costs associated with these benefits were $1,399,775 for the Fiscal Year Ended June 30, 2015.

(3) ***Contributions***

DTC subsidizes the medical premium. The subsidized percentage is 90% of published rates for retirees less than age 65 and 100% for retirees age 65 or greater. DTC subsidizes 100% of the dental and vision coverage for noncontract employees. Contract employees are allowed access to dental and vision coverage, but must pay the full premium. Life insurance is provided to retirees. Retirees under age 70 receive $6,000 in coverage. Once the participant reaches age 70, the coverage drops to $5,000. DTC must pay $0.23 per month per $1,000 of coverage for each employee.

(4) ***Annual OPEB Cost and Net OPEB Obligation***

DTC's annual OPEB cost is calculated based on the ARC of the employer, an amount actuarially determined in accordance with GAAP. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. Amounts "required" but not actually contributed to pay for these benefits are accumulated as part of the net OPEB obligation. The following table shows the components of DTC's annual OPEB cost, the amount actually contributed to the plan, and DTC's net OPEB obligation for the Fiscal Year Ended June 30, 2015:

Net OPEB obligation as of June 30, 2014	$	90,958,540
Annual required contribution		12,868,000
Interest on net OPEB obligation		3,606,000
Adjustment to annual required contribution		(4,524,000)
Annual OPEB cost		102,908,540
Employer contributions		(1,399,775)
Net OPEB obligation as of June 30, 2015	$	101,508,765

DTC's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

Fiscal Year Ended	Annual OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB obligation
06/30/2015	$ 11,950,000	11.71 %	$ 101,508,765
06/30/2014	16,748,000	7.69	90,958,540
06/30/2013	15,671,000	7.62	75,498,140

(5) Funded Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the plan was 2.1% funded. The actuarial accrued liability was $104,434,000, and the actuarial value of assets was $2,188,606, resulting in a UAAL of $102,245,394. The covered payroll (annual payroll of active employees covered by the plan) was $42,716,806, and the ratio of the UAAL to the covered payroll was 239.4%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(6) Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the OPEB plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014 actuarial valuation, the projected unit credit method was used with linear proration to assumed benefit commencement. The actuarial assumptions included a 4.0% investment rate of return, 3.0% payroll growth rate, a 2.4% inflation rate, and a healthcare cost trend rate based on the Society of Actuaries Long-Term

Trend Model adjusted for the projected impact of the cadillac tax for pre-age 65 retirees. Sample trends are as follows:

2015	4.5%
2020	5.3
2025	5.0
2050	4.8

The unfunded liability is being amortized as a level percentage of payroll over a 30-year closed amortization period.

(14) Commitments and Contingencies

(a) Construction Commitments

The Department had contractual commitments of $295,901,907 for construction of various highway projects at June 30, 2015. Current and future appropriations will fund these commitments as work is performed.

(b) Litigation

The Department is involved in various legal actions arising in the normal course of business. In the opinion of management, such matters will not have a material effect upon the financial position of the Department.

(c) Pollution Remediation

GASB No. 49 provides guidance for state and local governments in estimating and reporting the potential costs of pollution remediation. While GASB No. 49 does not require the Department to search for pollution, it does require the Department to reasonably estimate and report a remediation liability when any of the following obligating events has occurred:

a. Pollution poses an imminent danger to the public and the Department is compelled to take action;

b. The Department is in violation of a pollution-related permit or license;

c. The Department is named, or has evidence that it will be named, as a responsible party by a regulator;

d. The Department is named, or has evidence that it will be named, in a lawsuit to enforce a cleanup; or

e. The Department commences, or legally obligates itself to conduct, remediation activities.

The Department becomes aware of pollution conditions in the fulfillment of its mission, and site investigation, planning and design, cleanup, and site monitoring are typical remediation activities of the Department. The Department has the knowledge and expertise to estimate the remediation obligations presented herein based upon prior experience in identifying and funding similar remediation activities. GASB No. 49 requires the Department to calculate pollution remediation liabilities using the expected cash flow technique. Where the Department cannot reasonably estimate a pollution remediation obligation, it does not report a liability; however, the Department has not identified any of these situations.

The remediation obligation estimates presented in these financial statements are subject to change over time. Cost may vary due to price fluctuations, changes in technology, changes in potential responsible parties, results of environmental studies, changes to statutes or regulations, and other factors that could result in revisions to these estimates. Prospective recoveries from responsible parties may reduce the Department's obligation. Capital assets may be created when pollution remediation outlays are made under specific circumstances.

At June 30, 2015, the Department had outstanding pollution remediation liabilities of $1,993,000.

(15) Risk Management

The Department is exposed to various risks of loss related to workers' compensation, healthcare, automobile, and casualty claims. Except as noted below, the Department is a participant in the State of Delaware's Risk Management Program, which covers all claim settlements and judgments out of its General Fund. The Department pays premiums to the General Fund for this coverage.

(a) Workers' Compensation Insurance

DTC maintains coverage for workers' compensation benefits. DTC manages the coverage through both the retention of risk and the purchase of commercial insurance. The payment of workers' compensation claims is processed through a third-party administrator.

For years prior to 2003, DTC established workers' compensation loss contingency reserves based upon insurance carriers' actuarial reviews. Benefit claims in an amount of $100,000 or less per person, per coverage year are paid by DTC from the workers' compensation loss contingency reserve. Once any claim exceeds $100,000 or total claims for a given policy period exceed the maximum loss amount, the insurance policy covers the excess.

For Fiscal Year 2003, DTC changed its coverage to a first dollar program. Also, all claims were subject to a $5,000 deductible for the medical portion of a claim. All other expenses related to a claim were covered by the insurance carrier.

Subsequent to Fiscal Year 2003, DTC changed its coverage and was insured through Fiscal Year 2011 by the State. For Fiscal Years 2012 through 2014, DTC was insured through Liberty Mutual. In Fiscal Year 2015, DTC returned to being covered by the State and the premium was calculated as $9.00 per $100 on gross wages. DTC is not responsible for any costs other than the premium paid, thus no loss contingency reserves were established.

(b) Auto Insurance

DTC maintains auto insurance coverage through both the retention of risk and the purchase of commercial insurance. Auto loss reserves that are based upon actuarial reviews were established by DTC.

For years prior to 2003, DTC established auto loss reserves based upon insurance carriers' actuarial reviews. Individual claims in an amount of $100,000 or less per incident, per coverage year were paid from the auto loss reserve funds. Once a specific claim exceeds $100,000 or total claims for a given policy period exceed the maximum loss amount established by the insurance carrier, the insurance policy covers the excess.

For 2003 and subsequent years, DTC changed its auto insurance coverage whereby they established self-insured retention thresholds up to certain dollar amounts and purchased commercial insurance (wrap-around) policies for coverage amounts in excess of the self-insured retention thresholds. DTC established initial loss reserve insurance liabilities for each of the years based upon actuarially determined valuations assuming DTC's maximum liability exposure to be $1,000,000 per occurrence (this reflects the sovereign immunity cap pursuant to Title 2 of the Delaware Code, Subsection 1329). DTC had several cases that were settled in excess of the sovereign immunity cap.

For individual claims in excess of the sovereign immunity cap, DTC established a maximum amount of loss based upon their self-insured retention program, as well as purchasing commercial insurance coverage in the amounts identified in the table below:

Fiscal Year	Initial loss reserve insurance liability established	Maximum amount of loss under self-insured retention program (per occurrence)	Excess commercial coverage (aggregate)
2015	$ 5,078,000	$ 1,000,000	***
2014	4,510,000	1,000,000	***
2013	4,304,004	1,000,000	***
2012	3,828,996	1,000,000	***
2011	3,372,000	1,000,000	***
2010	3,467,000	1,000,000	***
2009	3,129,000	900,000	**
2008	3,106,000	900,000	**
2007 (01/15/07 - 06/30/07)	*	900,000	**
2007 (07/01/06 - 01/14/07)	2,607,350	2,300,000	$ 5,000,000
2006	2,858,258	2,300,000	5,000,000
2005	2,763,367	2,300,000	5,000,000
2004	2,666,763	1,300,000	6,000,000
2003	2,561,000	1,300,000	10,000,000

* Initial loss reserve established July 1, 2006 in the amount of $2,607,350 for the entire fiscal year.

** For these loss years, DTC is self-insured for the first $900,000, and the next $100,000 is commercial coverage. DTC has no additional coverage beyond this point.

*** For these years, DTC is self-insured with no commercial coverage.

The components of the remaining insurance loss reserve on DTC's statement of net position were as follows at June 30, 2015:

Auto loss reserve remaining for Fiscal Year 2015	$	3,456,000
Auto loss reserve remaining for Fiscal Year 2014		3,355,000
Auto loss reserve remaining for Fiscal Year 2013		3,792,000
Auto loss reserve remaining for Fiscal Year 2012		742,000
Auto loss reserve remaining for Fiscal Year 2011		189,000
Auto loss reserve remaining for Fiscal Year 2010		116,000
Auto loss reserve remaining for Fiscal Year 2000		4,000
	$	11,654,000

Changes in the balance of total claim liabilities during Fiscal Year 2015 were as follows:

	Beginning balance - July 1, 2014		Current year estimated claims and changes in estimates		Actual claim payments		Ending balance - June 30, 2015
$	12,011,000	$	5,180,731	$	(5,537,731)	$	11,654,000

(16) Operating Leases

The Department has several noncancellable operating leases, primarily for operation and maintenance facilities, which expire at various times through June 29, 2020. Those leases require the Department to pay for maintenance and liability insurance costs. Rental expenses were $257,649 for the Fiscal Year Ended June 30, 2015.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 2015 are as follows:

2016	$	188,747
2017		47,993
2018		1,800
2019		1,800
2020		1,800
	$	242,140

DTC had an operating lease agreement for transit vehicle tires, which expired on August 31, 2014. The lease agreement can be automatically renewed for two additional one year periods, which extends the lease through August 31, 2016. The lease agreement requires DTC to make monthly payments based on miles driven multiplied by a mileage rate as set forth in the agreement. The mileage rate is based on contract year and estimated annual vehicle miles. For the Fiscal Year Ended June 30, 2015, DTC incurred expenses related to this lease of $608,161.

(17) Transfers In From and Out to Other Funds

Per the terms of the Trust Agreement, the Trust Fund is responsible for reimbursing the State for the Department's operating, maintenance, and capital expenses financed by the State's general bank account. However, the State's General Assembly and the State's Division of Revenue transferred the following amounts as general operating support from the State's General Fund to the Department at June 30, 2015:

Amounts transferred to the Trust Fund:	
Division of Motor Vehicles	$ 2,874,726
Division of Revenue, Motor Vehicle Dealer/Lessor License and Document Fees	514,012
	$ 3,388,738

In addition, the Trust Fund is responsible for maintaining funds appropriated by the General Assembly for DTC, and reimbursing DTC for its operating and capital expenses up to the total amount of the appropriated funds. Total reimbursement for the Fiscal Year Ended June 30, 2015 was $92,915,587.

(18) Service Concession Arrangement for Welcome Center and Service Plaza

At the end of Fiscal Year 2010, construction was completed on the Welcome Center and Service Plaza (the Center) pursuant to an agreement with HMS Host Tollroads, Inc. (HMS), under which HMS financed, designed, and built the Center and continues to maintain and operate the Center for 35 years. The agreement with HMS was entered into in order to improve the comfort of motorists traveling through Delaware and to avoid the issuance of debt. Under the agreement, HMS is responsible for maintaining the Center to current conditions and insuring the Center over the course of the 35 year operations period. The Trust Fund will be entitled to a percentage of all sales from fuel and non-fuel items sold. At the end of the arrangement, operation of the Center will be transferred to the Trust Fund in its enhanced condition. The Department reports the Center as a capital asset with a carrying amount of $22,100,000 at June 30, 2015, and a related deferred inflow of resources of $18,942,857, which is being amortized over 35 years. Amortization expense for the Fiscal Year Ended June 30, 2015 was $631,428.

(19) Subsequent Events

Events and transactions subsequent to year end have been evaluated for potential recognition in the financial statements or disclosure in the notes to financial statements. All events and transactions have been evaluated through November 23, 2015, which is the date the financial statements were available to be issued.

(20) Reclassifications

Certain reclassifications have been made to the prior year's financial statements in order to conform to the current year presentation. The reclassifications had no effect on previously reported changes in net position or net position.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information - Governments That Use the Modified Approach for Infrastructure Assets

As allowed by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the State has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include 4,448 centerline miles and 1,626 bridges that the State is responsible for maintaining.

The condition of the State's road pavement is measured using the Overall Pavement Condition (OPC) system, which is based on the extent and severity of various pavement distresses that are visually observed. The OPC system uses a measurement scale that is based on a condition index ranging from 0.0 for poor pavement to 5.0 for pavement in good condition.

The condition of bridges is measured using the "Bridge Condition Rating" (BCR), which is based on the Federal Highway Administration (FHWA) Coding Guide, "Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation's Bridges." The BCR uses a measurement scale that is based on a condition index ranging from 0 to 9, 0 to 4 for substandard bridges, and 9 for bridges in good condition. For reporting purposes, substandard bridges are classified as those with a rating of 4 or less. The good or better condition bridges were taken as those with ratings of between 6 and 9. A rating of 5 is considered fair. The information is taken from past "Bridge Inventory Status" reports.

It is the State's policy to maintain at least 85% of its highways at a fair or better condition level and 75% of its bridge systems at a good or better condition level. No more than 10% of bridges and 15% of roads should be in substandard condition. Condition assessments are determined every year for roads and every two years for bridges. Due to the timing of these condition assessments, information for the Fiscal Year Ended June 30, 2015 is not available.

State of Delaware
Department of Transportation

Required Supplementary Information
June 30, 2015

Structural rating numbers and percentages for bridges

		Calendar year ended December 31,:					
		2015		2014		2013	
	BCR condition rating	Number	Percentage	Number	Percentage	Number	Percentage
Good	6 - 9	1,211	74.5	1,198	75.3	1,152	73.1
Fair	5	304	18.7	307	19.3	331	21.0
Poor	0 - 4	111	6.8	87	5.4	92	5.9
	Totals	1,626	100.0	1,592	100.0	1,575	100.0

Deck rating numbers and percentages for bridges

		Calendar year ended December 31,:					
		2015		2014		2013	
	OPC condition rating	Square feet	Percentage	Square feet	Percentage	Square feet	Percentage
Good	6 - 9	5,979,029	74.3	5,886,694	74.9	5,936,967	75.4
Fair	5	1,696,198	21.1	1,650,327	21.0	1,549,714	19.7
Poor	0 - 4	374,113	4.6	321,851	4.1	384,961	4.9
	Totals	8,049,340	100.0	7,858,872	100.0	7,871,642	100.0

Center-line mile numbers and percentages for road pavement

		Calendar year ended December 31,:					
		2013		2011		2009	
	OPC condition rating	Center-line miles	Percentage	Center-line miles	Percentage	Center-line miles	Percentage
Good	3.0 - 5.0	4,032	90.6	3,796	86.7	3,423	78.5
Fair	2.5 - 3.0	356	8.0	400	9.1	575	13.2
Poor	Below 2.5	60	1.4	182	4.2	362	8.3
	Totals	4,448	100.0	4,378	100.0	4,360	100.0

Comparison of estimated-to-actual maintenance/preservation (in thousands)*

	Fiscal Year Ended June 30,:				
	2015	2014	2013	2012	2011
Estimated	$ 241,900	$ 198,873	$ 185,399	$ 243,600	$ 259,351
Actual	291,630	234,800	233,810	285,923	248,973

* The estimated expenditures represent annual Bond Bill authorization. The actual expenditures represent the current year spending, which includes cumulative authorization.

State of Delaware
Department of Transportation

Required Supplementary Information
June 30, 2015

Required Supplementary Information - DelDOT/Trust Fund Pension

Schedule of Proportionate Share of Net Pension Liability

Proportionate Share of Net Pension Liability	**June 30, 2014**
DelDOT/Trust Fund proportion of the net pension liability	3.8332 %
DelDOT/Trust Fund proportion of the net pension liability - dollar value	$ 14,114,288
DelDOT/Trust Fund covered employee payroll	$ 73,603,519
DelDOT/Trust Fund proportionate share of the net pension liability as a percentage of covered employee payroll	19.18 %
Contributions	
Contractually required contribution	$ 6,702,782
Contributions in relation to the contractually required contribution	6,702,782
Contribution deficiency	$ -
DelDOT/Trust Fund covered employee payroll	$ 73,603,519
Contribution as a percentage of covered employee payroll	9.11 %

In accordance with GASB No. 68, this schedule has been prepared prospectively as the above information for the preceding years in not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

State of Delaware
Department of Transportation

Required Supplementary Information
June 30, 2015

Required Supplementary Information - DTC Pensions

The following provides an analysis of the changes in DTC's net pension liability (asset) for each of its plans:

Statement of Changes in Net Pension Liability (Asset) and Related Ratios
(Dollar amounts in thousands)

	DTC Plan 6/30/2014	DART Plan 12/31/2014
Total pension liability		
Service cost	$ 840	$ 1,766
Interest	1,483	2,675
Changes of benefit terms	-	1,030
Differences between expected and actual experience	-	4
Benefit payments, including refunds of member contributions	(569)	(2,103)
Net change in total pension liability	1,754	3,372
Total pension liability - beginning	20,058	37,483
Total pension liability - ending (a)	$ 21,812	$ 40,855
Plan fiduciary net position		
Contributions - employer	$ 1,158	$ 909
Contributions - members	30	1,263
Net investment income	2,443	2,605
Benefit payments, including refunds of member contributions	(569)	(2,103)
Administrative expense	(116)	(133)
Net change in plan fiduciary net position	2,946	2,541
Plan fiduciary net position - beginning	17,938	39,495
Plan fiduciary net position - ending (b)	$ 20,884	$ 42,036
Net pension liability (asset) - ending (a) - (b)	$ 928	$ (1,181)
Plan fiduciary net position as a percentage of total pension liability	95.75 %	102.89 %
Covered-employee payroll	$ 12,099	$ 27,627
Net pension liability (asset) as a percentage of covered-employee payroll	7.67 %	(4.27)%
Expected average remaining service years of all participants	8.5	8.3

Notes to Schedule

Benefit changes: None
Changes of assumptions: None

State of Delaware
Department of Transportation

Required Supplementary Information
June 30, 2015

Schedule of Contributions

Last 10 Fiscal Years
(Dollar amounts in thousands)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
DTC Plan, as of June 30,										
Actuarially determined contribution	$ 1,156									
Contributions in relation to the actuarially determined contribution	1,158									
Contribution deficiency (excess)	$ (2)			Information for FY2013 and earlier is not available						
Covered-employee payroll	$ 12,099									
Contributions as a percentage of covered-employee payroll	9.57 %									
DART Plan, as of December 31,										
Actuarially determined contribution	$ 635	$ 773	$ 715	$ 598	$ 611	$ 859	$ 683			
Contributions in relation to the actuarially determined contribution	908	1,250	1,080	1,074	1,082	1,063	996	Information for FY2007 and		
Contribution deficiency (excess)	$ (273)	$ (477)	$ (365)	$ (476)	$ (471)	$ (204)	$ (313)	earlier is not available		
Covered-employee payroll	$ 25,748	$ 24,788	$ 22,985	$ 22,847	$ 22,675	$ 22,072	$ 18,689			
Contributions as a percentage of covered-employee payroll	3.53 %	5.04 %	4.70 %	4.70 %	4.77 %	4.82 %	5.33 %			

Notes to Schedule

Valuation date: Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July 1) for the immediately following fiscal year. Actuarial valuations are performed every year.

Methods and assumptions used to determine contribution rates:	*DTC Plan*	*DART Plan*
Actuarial cost method	Frozen Entry Age	Entry Age Normal
Amortization method	Level Dollar, Open	Level Percentage of Pay
Remaining amortization period	30 years	15 years
Asset valuation method	Market value	Five-year market smoothed
Inflation	2.0%	2.0%
Salary increases	2.5%, including inflation	4.0%, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation	7.0%, net of pension plan investment expense, including inflation
Retirement age	Rates vary by participant age and service	Rates vary by participant age and service
Mortality	RP-2000 Combined Healthy tables with generational projection by Scale AA	RP-2000 Blue Collar table without any future mortality improvements

State of Delaware
Department of Transportation

Required Supplementary Information
June 30, 2015

Required Supplementary Information - DTC OPEB Trust

The following table presents additional information related to funding status and funding progress. It is intended to help readers assess the individual plan's funding status on a going-concern basis and assess progress made in accumulating sufficient assets to pay benefits when due:

Schedule of Funding Status and Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess (Deficit) of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered payroll (c)	Excess (Deficit) as a % of Covered Payroll ((a-b)/c)
07/01/2014	$ 2,189,000	$ 104,434,000	$ (102,245,000)	2.10 %	$ 42,716,806	(239.36)%
07/01/2013	1,878,000	135,237,000	(133,359,000)	1.39	38,546,221	(345.97)
07/01/2012	1,755,283	121,627,000	(119,871,717)	1.44	34,537,878	(347.07)

SUPPLEMENTARY INFORMATION

Delaware Transportation Authority
Transportation Trust Fund
Statement of Net Position in Accordance with Trust Agreement
June 30, 2015
(with comparative totals for June 30, 2014)

	Operations	Trust Holdings	Debt Reserve	(Memorandum Only) 2015	2014
Current assets					
Cash and cash equivalents					
Unrestricted	$ 26,384,024	$ 63,568	$ -	$ 26,447,592	$ 16,648,716
Restricted	-	3,643,014	12,723	3,655,737	26,646,290
Investments - at fair value					
Unrestricted	45,293,433	10,120,185	-	55,413,618	79,197,865
Restricted	-	107,388,612	2,650,814	110,039,426	70,313,336
Accounts receivable					
Trade	8,891,270	-	-	8,891,270	8,411,336
Federal grants	276,291	-	-	276,291	6,899,661
Interest	398,661	-	-	398,661	454,745
Total current assets	81,243,679	121,215,379	2,663,537	205,122,595	208,571,949
Noncurrent assets					
Capital assets, not depreciable					
Land	-	152,306,437	-	152,306,437	146,001,454
Infrastructure	-	1,216,991,300	-	1,216,991,300	1,211,164,715
Service concession buildings and improvements	-	22,100,000	-	22,100,000	22,100,000
Capital assets, depreciable					
Buildings and improvements	-	8,072,030	-	8,072,030	8,072,030
Total capital assets	-	1,399,469,767	-	1,399,469,767	1,387,338,199
Less: accumulated depreciation	-	4,217,142	-	4,217,142	4,028,642
Capital assets, net	-	1,395,252,625	-	1,395,252,625	1,383,309,557
Investments - at fair value, net of current portion					
Unrestricted	408,645	4,154,829	-	4,563,474	26,553,523
Restricted	366,164	8,370,187	61,748,385	70,484,736	59,626,299
Total noncurrent assets	774,809	1,407,777,641	61,748,385	1,470,300,835	1,469,489,379
Total assets	82,018,488	1,528,993,020	64,411,922	1,675,423,430	1,678,061,328
Deferred outflows of resources	-	20,448,278	-	20,448,278	22,823,445

(Continued)

Delaware Transportation Authority
Transportation Trust Fund
Statement of Net Position in Accordance with Trust Agreement (Continued)
June 30, 2015
(with comparative totals for June 30, 2014)

	Operations	Trust Holdings	Debt Reserve	(Memorandum Only) 2015	2014
Current liabilities					
Accounts payable and other accrued expenses	$ 15,608,211	$ -	$ -	$ 15,608,211	$ 12,343,703
Escrow deposits	-	2,259,980	-	2,259,980	2,754,858
Customer toll deposits	14,487,762	-	-	14,487,762	11,921,228
Interest payable	-	20,737,791	-	20,737,791	20,733,321
Unearned revenue	-	-	-	-	56,675
General obligation bonds payable	-	-	-	-	103,426
Revenue bonds payable	-	72,580,000	-	72,580,000	77,655,000
Bond issue premium - net of accumulated amortization	-	11,902,313	-	11,902,313	6,823,880
Total current liabilities	30,095,973	107,480,084	-	137,576,057	132,392,091
Noncurrent liabilities					
Revenue bonds payable - net of current portion	-	788,820,000	-	788,820,000	861,400,000
Bond issue premium - net of accumulated amortization and current portion	-	33,576,224	-	33,576,224	58,915,314
Total noncurrent liabilities	-	822,396,224	-	822,396,224	920,315,314
Total liabilities	30,095,973	929,876,308	-	959,972,281	1,052,707,405
Deferred inflows of resources	-	18,942,857	-	18,942,857	19,574,286
Net position					
Net investment in capital assets	-	519,840,247	-	519,840,247	378,411,937
Restricted	366,164	87,935,654	64,411,922	152,713,740	156,585,925
Unrestricted	51,556,351	(7,153,768)	-	44,402,583	93,605,220
Total net position	$ 51,922,515	$ 600,622,133	$ 64,411,922	$ 716,956,570	$ 628,603,082

Delaware Transportation Authority
Transportation Trust Fund

Statement of Revenues, Expenses, and Changes in Net Position in Accordance with Trust Agreement
Year Ended June 30, 2015
(with comparative totals for the year ended June 30, 2014)

	Operations	Trust Holdings	Debt Reserve	(Memorandum Only) 2015	2014
Operating revenues					
Pledged revenue					
Turnpike revenue	$ 120,363,461	$ -	$ -	$ 120,363,461	$ 122,404,184
Motor fuel tax revenue	116,968,447	-	-	116,968,447	114,555,916
Motor vehicle document fee revenue	94,037,087	-	-	94,037,087	84,830,376
Motor vehicle registration fee revenue	51,184,304	-	-	51,184,304	49,243,279
Other motor vehicle revenue	25,757,326	-	-	25,757,326	26,259,772
International Fuel Tax Agreement revenue	2,694,453	-	-	2,694,453	2,372,142
Total pledged revenue	411,005,078	-	-	411,005,078	399,665,669
Toll revenue - Delaware SR-1	55,767,180	-	-	55,767,180	47,561,542
Miscellaneous	8,258,624	1,312,793	-	9,571,417	12,749,770
Total operating revenues	475,030,882	1,312,793	-	476,343,675	459,976,981
Operating expenses					
Road maintenance, preservation, and repairs	1,387,149	44,477,125	-	45,864,274	49,372,042
Professional fees	49,208,623	49,973,858	-	99,182,481	100,086,311
Materials, supplies, and other	18,837,237	7,328,325	-	26,165,562	23,758,092
Depreciation	-	188,500	-	188,500	154,695
Total operating expenses	69,433,009	101,967,808	-	171,400,817	173,371,140
Operating income (loss)	405,597,873	(100,655,015)	-	304,942,858	286,605,841
Nonoperating revenues (expenses)					
Income from investments - pledged	51,188	1,033,257	760,508	1,844,953	2,257,110
Bad debt recovery	-	923,348	-	923,348	887,732
Federal grant revenue	-	276,291	-	276,291	6,899,661
Interest expense	-	(23,482,198)	-	(23,482,198)	(38,529,291)
Service concession arrangement	-	631,428	-	631,428	2,525,714
Excess (deficiency) of nonoperating revenues over nonoperating expenses	51,188	(20,617,874)	760,508	(19,806,178)	(25,959,074)
Income (loss) before transfers	405,649,061	(121,272,889)	760,508	285,136,680	260,646,767

(Continued)

Delaware Transportation Authority
Transportation Trust Fund
Statement of Revenues, Expenses, and Changes in Net Position in Accordance with Trust Agreement (Continued)
Year Ended June 30, 2015
(with comparative totals for the year ended June 30, 2014)

	Operations	Trust Holdings	Debt Reserve	(Memorandum Only) 2015	2014
Net transfers per agreement	$ (213,271,441)	$ 209,276,573	$ 3,994,868	$ -	$ -
Transfers to other governmental agencies	(5,484,944)	-	-	(5,484,944)	(3,743,385)
Transfers to State General Fund	-	(5,000,000)	-	(5,000,000)	(5,000,000)
Transfers from State General Fund	-	3,388,738	-	3,388,738	48,467,109
Transfers to DTC	(85,583,707)	-	-	(85,583,707)	(83,878,200)
Transfers to DelDOT	(104,103,279)	-	-	(104,103,279)	(112,792,414)
Change in fund net position	(2,794,310)	86,392,422	4,755,376	88,353,488	103,699,877
Fund net position - beginning of year	54,716,825	514,229,711	59,656,546	628,603,082	524,903,205
Fund net position - end of year	$ 51,922,515	$ 600,622,133	$ 64,411,922	$ 716,956,570	$ 628,603,082

Delaware Transportation Authority
Transportation Trust Fund
Schedule of Revenue Bonds Outstanding
June 30, 2015

Principal	2005 Series	2006 Series	2007 A Series	2008 A Series	2008 B Series	2009 A Series	2009 B Series	2010 B Series	2012 Series	2014 Series	Total Senior Bond Series
FY16	$ 7,870,000	$ 5,865,000	$ 105,000	$ 14,620,000	$ 4,550,000	$ 4,270,000	$ 4,170,000	$ -	$ 9,945,000	$ 14,195,000	$ 65,590,000
FY17	-	6,160,000	4,975,000	15,355,000	4,730,000	4,485,000	8,530,000	-	5,395,000	13,685,000	63,315,000
FY18	-	-	5,220,000	2,110,000	4,970,000	4,710,000	9,975,000	-	25,600,000	9,670,000	62,255,000
FY19	-	-	5,455,000	2,215,000	5,215,000	4,945,000	4,830,000	-	38,800,000	4,500,000	65,960,000
FY20	-	-	5,730,000	2,330,000	5,480,000	5,195,000	5,485,000	5,070,000	21,555,000	14,965,000	65,810,000
FY21	-	-	22,130,000	2,445,000	5,750,000	5,455,000	-	5,200,000	12,715,000	10,650,000	64,345,000
FY22	-	-	6,520,000	2,540,000	6,040,000	5,725,000	-	5,340,000	23,100,000	12,330,000	61,595,000
FY23	-	-	-	2,645,000	6,340,000	6,010,000	-	5,495,000	30,280,000	8,060,000	58,830,000
FY24	-	-	-	2,750,000	6,660,000	6,310,000	-	5,655,000	24,800,000	8,465,000	54,640,000
FY25	-	8,695,000	-	2,865,000	7,000,000	6,625,000	-	5,830,000	19,350,000	195,000	50,560,000
FY26	-	9,000,000	-	2,980,000	7,360,000	6,960,000	-	6,015,000	-	12,045,000	44,360,000
FY27	-	9,315,000	-	3,105,000	7,745,000	7,305,000	-	6,215,000	-	-	33,685,000
FY28	-	-	-	3,240,000	8,150,000	7,670,000	-	6,450,000	-	-	25,510,000
FY29	-	-	-	3,375,000	8,580,000	8,055,000	-	6,695,000	-	-	26,705,000
FY30	-	-	-	-	9,050,000	8,460,000	-	6,945,000	-	-	24,455,000
FY31	-	-	-	-	-	-	-	7,210,000	-	-	7,210,000
	$ 7,870,000	$ 39,035,000	$ 50,135,000	$ 62,575,000	$ 97,620,000	$ 92,180,000	$ 32,990,000	$ 72,120,000	$ 211,540,000	$ 108,760,000	$ 774,825,000

Principal	GARVEE 2010 Series	Total GARVEE Bond Series	Totals
FY16	$ 6,990,000	$ 6,990,000	$ 72,580,000
FY17	7,280,000	7,280,000	70,595,000
FY18	7,625,000	7,625,000	69,880,000
FY19	7,985,000	7,985,000	73,945,000
FY20	8,375,000	8,375,000	74,185,000
FY21	8,785,000	8,785,000	73,130,000
FY22	9,210,000	9,210,000	70,805,000
FY23	9,625,000	9,625,000	68,455,000
FY24	10,145,000	10,145,000	64,785,000
FY25	10,555,000	10,555,000	61,115,000
FY26	-	-	44,360,000
FY27	-	-	33,685,000
FY28	-	-	25,510,000
FY29	-	-	26,705,000
FY30	-	-	24,455,000
FY31	-	-	7,210,000
	$ 86,575,000	$ 86,575,000	$ 861,400,000

Delaware Transportation Authority
Transportation Trust Fund
Schedule of Revenue Bond Coverage
June 30, 2015

Oversight responsibility for the issuance of debt by the State and its authorities is centralized under the Secretary of Finance. The following table sets forth certain indebtedness of the Authority. Further information for the Authority may be found in the notes to financial statements, changes in long-term liabilities, and bonds outstanding.

(Dollar amounts in thousands)

Fiscal Year	Gross pledged revenue	Debt service requirements Principal	Interest	Total	Coverage*
2005	$ 300,820	$ 53,920	$ 39,370	$ 93,290	3.22
2006	337,350	58,445	40,573	99,018	3.41
2007	346,954	61,370	45,534	106,904	3.25
2008	381,590	67,640	46,210	113,850	3.35
2009	367,399	73,510	43,619	117,129	3.14
2010	363,948	74,380	50,885	125,265	2.91
2011	376,186	71,760	52,585	124,345	3.03
2012	378,960	76,320	56,411	132,731	2.86
2013	387,918	83,230	48,097	131,327	2.95
2014	401,923	75,205	47,162	122,367	3.28
2015	412,850	77,655	41,467	119,122	3.47

* The above calculation represents the total gross pledged revenue as it relates to the total debt service requirement of all Senior and Junior Bonds. The calculation method used in the Official Statement per the Trust Agreement calculates only the Senior Bond debt service requirement and subtracts investment income revenue from gross pledged revenue.

Santora CPA Group
Right, By Your Side

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Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

State of Delaware Department of Transportation
Dover, Delaware

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of the State of Delaware Department of Transportation (the Department), an enterprise fund of the State of Delaware as of and for the Fiscal Year Ended June 30, 2015, and the related notes to financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated November 23, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) to determine the audit procedures that were appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatement on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Department's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We consider the deficiencies described as findings 2015-1 and 2015-2 in the accompanying *Schedule of Findings* to be material weaknesses.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Department in a separate letter dated November 23, 2015.

The Department's Responses to Findings

The Department's responses to the findings identified in our audit are described in the accompanying *Schedule of Findings*. The Department's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Santora CPA Group

November 23, 2015
Newark, Delaware

State of Delaware
Department of Transportation

Schedule of Findings
June 30, 2015

Finding 2015-1: Financial Reporting (Material Weakness)

Background

Throughout the year, the Department operates and records transactions on the cash and budget basis of accounting using First State Financials (FSF), the State's accounting system. The cash basis of accounting differs significantly from the accrual basis of accounting, which is the Department's basis for reporting information included in the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Since FSF is not used throughout the year to capture transactions on the accrual basis of accounting, the year-end compilation of the Department's financial statements is complex and heavily reliant on manual adjustments to properly record accruals and other non-routine transactions. State agencies on FSF are required to prepare GAAP packages to make various types of adjustments to correct the non-GAAP basis of accounting throughout the year. The Division of Accounting (DOA) provides training and instructions to State personnel on the GAAP package preparation and sets timelines for GAAP package submission to the DOA. In addition, there are some State agencies that use systems outside of FSF to gather and track required information; this adds to the complexity of the year-end GAAP package reporting and reconciliation process.

Condition

The Department's management has overall responsibility for the preparation and fair presentation of their financial statements. The DOA is responsible for compiling the Department's financial statements in accordance with GAAP.

During our audit, we identified several significant adjustments as a result of inaccurate or incomplete information included in the Department's GAAP package:

- $3,044,850 overstatement of the Division of Motor Vehicle's (DMV) direct access accounts receivable. This accounts receivable balance was recorded on both TTF and DelDOT fund trial balances. Subsequently, it was determined that the majority of this accounts receivable had in fact been collected and was recorded in error.

- $1,760,660 overstatement in Computer Software In Process.

- $6,233,368 expensed in current period related to prior-period expenditures on the new DMV Center.

In addition, we noted the following deficiencies in internal control over financial reporting:

- GAAP requires use of the effective interest method in calculating the amortization of bond premiums/discounts. The accumulated amortization and amortization expense reported in the compiled financial statements were recorded using the straight-line method. The impact of adjusting the bond premium amortization to be in accordance with GAAP was $13.4 million.

- GASB Nos. 68 and 71 were implemented by the Department in Fiscal Year 2015. The compiled financial statements did not calculate the impact of GASB No. 68 correctly and did not consider the impact of GASB No. 71. In addition, the compiled financial statements were missing certain disclosures required for compliance with GASB Nos. 68 and 71. The impact of adjusting entries to correctly present the impact of GASB Nos. 68 and 71 was $6.5 million.

- Reconciliations of revenue and expenses (proving out a rollforward of cash basis revenues and expenses from FSF, adding in the impact of accrual entries, and showing an adjusted total that agrees to financial statement line items) was not provided with the compiled financial statements. This type of reconciliation control is necessary to ensure that the financial statements are complete and accurate and reflect all activity of the Department for the fiscal year.

- Several amounts reported in the statement of cash flows were adjusted to reconcile to supporting audit documentation and workpapers.

- Revenues owed to DelDOT under a Park & Ride agreement with DTC in the amount of $757,836 were not properly accrued as a receivable on DelDOT's books and records as of June 30, 2015.

- Transfers to Other Governmental Agencies and Transfers from General Fund line items both overstated by $5 million due to double counting of Municipal Street Aid transfer to General Fund. Transfers from General Fund understated by approximately $514,000 related to Dealer/Lessor license and document fees not being included. In addition, the compiled footnote included a supplemental appropriation from Bond Bill; based on review of the Bond Bill and discussion with management, no supplemental appropriation was approved or received in Fiscal Year 2015.

Criteria

According to the National Council on Government Accounting Concept Statement No. 1, *Objectives of Financial Reporting,* "The overall goal of accounting and financial reporting for governmental units is to provide: 1) financial information useful for making economic, political, and social decisions, and demonstrating accountability and stewardship; and 2) information useful for evaluating managerial and organizational performance."

Internal Control – Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), defines financial reporting objectives as follows: "Financial reporting objectives address the preparation of reliable published financial statements, including interim and condensed financial statements and selected financial data derived from such statements…Reliable financial statements are a prerequisite to obtaining investor or creditor capital, and may be critical to the award of certain contracts or to dealing with certain suppliers. Investors, creditors, customers, and suppliers often rely on financial statements to assess management's performance and to compare it with peers and alternative investments. The term 'reliability' as used with financial reporting objectives involves the preparation of financial statements that are fairly presented in conformity with generally accepted or other relevant and appropriate accounting principles and regulatory requirements for external purposes."

The financial statements are the responsibility of management. A proper system of internal control over financial reporting is essential in order to prevent, detect, and correct misstatements and to ensure that such information is useful in decision-making and evaluating managerial and departmental performance, as well as demonstrating accountability and stewardship. Controls must be properly designed, in place, and operating effectively to ensure that the Department's accounting and financial information is fairly stated in accordance with GAAP.

Cause

There is not an effective internal management review process to ensure that the financial statements are accurate and complete and that presentation and disclosure is proper prior to submission for audit. Review at both the DOA and Department levels was not performed at a sufficient level of precision to identify these significant misstatements.

All Department and DOA staff working on various aspects of the GAAP reporting process should have sufficient technical expertise to perform the work accurately and timely. Management relies heavily on the audit process to identify financial statement errors and to implement new accounting standards.

The misstatement related to bond premium amortization was caused by the non-GAAP policy of using the straight-line method instead of the effective interest method.

Effect

There were material misstatements to the compiled financial statements submitted for audit.

Recommendation

We recommend that management refine the process used to complete the draft Department financial statements, notes to the financial statements, all significant GAAP adjustments, conversion to accrual adjustments, and prepare the necessary account reconciliations. The review process should include completion of a disclosure checklist to ensure that financial statements include all requirements of GAAP, as well as an evaluation of the reasonableness of individual financial statement line items and their related footnote disclosures by an individual with sufficient accounting and financial reporting experience and knowledge of the processes at the Department to detect and correct material inconsistencies and errors. Focus should be placed on the valuation of accounts associated with the GAAP package process and financial statement presentation, including the completeness and accuracy of the financial statements.

View of Responsible Officials

Fiscal Year 2015 was the second year that the DOA compiled the Department's financial statements, and we are gradually realizing the goals intended in doing so: increased skill and understanding of our financial statements and the processes required to produce them among members of our team, improved controls, and the ability to produce financial statements more frequently and efficiently in order to improve management information and decision making. The conditions cited are reminders of the importance of communication, and we acknowledge an improvement opportunity going forward between the Department and the DOA. We intend to schedule regular meetings with the DOA during the report compilation process to ensure the GAAP package and any adjusting entries are thoroughly understood and agreed to. We will also be engaging the DOA on both the conditions and deficiencies you have communicated.

Taking into account our practice of refunding certain bond issues and the desire to more accurately reflect the value of bond premiums in the financial statements, we agree with your recommendation and adopted the effective interest method. We will continue calculating bond premium amortization using this methodology going forward.

Finding 2015-2: Division of Motor Vehicle Revenues (Material Weakness)

Background

One of the sources of revenue for the Department is the DMV revenue, which is initiated when a customer enters one of the DMV locations to register a vehicle or pay a fee. The customer completes the appropriate forms, and the cashier at the DMV location enters the customer information into the Motor Vehicle and License System (MVALS), which calculates the appropriate fee the customer is to pay. On a daily basis for each location, a Daily Cash Report is created to reconcile the daily total for cash, credit cards, and checks for each cashier. Any discrepancies greater than $5 are investigated. The completed Daily Cash Reports are provided to the Accounting Specialist who reconciles the Daily Cash Reports to the MVALS system report for each location. The Accounting Specialist ensures that any shortages/ overages greater than $5 are reasonable and explained. A second Accounting Specialist then reconciles the MVALS totals to the related bank statement.

Condition

In testing a sample of 11 DMV daily revenue reconciliations, we verified that each daily reconciliation was properly reviewed and approved; this includes an audit by the Accounting Specialist that compares the lane work to what was recorded in MVALS for accuracy. In addition, for each daily reconciliation tested, the daily revenue was properly included in the total deposit submitted for the day, and the daily deposit properly flowed through to the month-end bank statement.

We did not identify control or substantive testing exceptions in the sample of 11 daily reconciliations tested. However, in reviewing the fiscal year DMV revenue reconciliation summary, we identified $3.3 million in "MVALS Adjustments". These amounts represent unreconciled variances between the MVALS system and bank statements. A breakout of the variances by month is detailed below:

State of Delaware
Department of Transportation

Schedule of Findings
June 30, 2015

Month	MVALS Adjustments
July 2014	$ (177,970)
August 2014	(182,898)
September 2014	(197,402)
October 2014	(487,140)
November 2014	502,417
December 2014	(408,585)
January 2015	(243,953)
February 2015	(404,365)
March 2015	(138,596)
April 2015	(383,280)
May 2015	(209,627)
June 2015	(1,041,503)
Total	$ (3,372,902)

In addition, we noted the following regarding the MVALS system:

- It is not possible to run consistent month-end reports, as MVALS system users are able to make changes after the fact (the month period in the system is never officially closed out). As a result, running the same month-end report on different days could generate different report results.

- There are no system controls to ensure that the correct transaction is processed in MVALS. For example, if the cashier incorrectly codes a transaction but enters the correct transaction amount, the cashier may process the transaction without correcting the coding (i.e., cashier processes one type of service but codes it to another service with the same cost). As a result, it is possible for a cashier to manipulate the transaction that is being processed. Because of this system limitation, management review of system reports from MVALS may not catch errors in data entry/coding in the system.

Criteria

Internal Control – Integrated Framework, published by COSO, defines control activities as "policies and procedures that help ensure management directives are carried out." Control activities occur throughout an organization, at all levels and functions, and include a wide range of activities, such as authorizations, verifications, reconciliations, reviews of operating performance, security of assets, and segregation of duties. To ensure control activities meet the objectives of management, supporting documentation for all such activities should be referred to or maintained with the financial documents. Management review controls are defined as activities of a person different than the preparer analyzing and performing oversight of activities performed and is an integral part of any internal control structure.

Cause

There are system limitations in the reporting functionality of MVALS. As a result, management cannot pinpoint the cause of the "MVALS Adjustments" noted above.

Effect

Without being able to effectively explain all reconciling items included in DMV revenue reconciliations, misstatements to the financial statements could go undetected.

Recommendation

We recommend that the Department consider updated software to use for recording DMV revenues or seek modifications to the current MVALS system that would address the reporting issues noted above. We further recommend that the Department ensure all reconciliations of cash and credit card transactions are performed timely, including explanations for all variances and "MVALS Adjustments", as required by the Department's internal policies and procedures.

View of Responsible Officials

The DMV Financial Services section performs a daily reconciliation of MVALS transactions to include cash, credit card, and checks for each lane (Delaware City, Wilmington, Georgetown, and Dover). This daily reconciliation ensures all revenue received throughout each day is properly accounted for and subsequently deposited in the bank. To address the reporting issues noted in this audit finding, the DMV is making it a priority to work closely with the Department's technology group to explore enhancements that can be made to improve MVALS revenue reporting. Specifically, we will work to identify all adjustments and make this a part of our monthly reconciliation.

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Appendix B

Updated Toll Traffic and Revenue Study - May 2015
and
Supplemental Letter dated September 9, 2015

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UPDATED TOLL TRAFFIC AND REVENUE STUDY

US 301 TOLL ROAD

Prepared for:

Delaware Department of Transportation

Delaware Department of Transportation
800 Bay Road
Dover, DE 19903

Prepared by:

JACOBS

Jacobs Engineering Group
1247 Ward Avenue, Suite 100
West Chester, PA 19380-4259
610.701.7000

MAY, 2015

Delaware Department of Transportation

U.S. Department of Transportation
Federal Highway Administration

U.S. 301

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Executive Summary

Delaware Department of Transportation retained the services of the Jacobs ('Jacobs') Engineering Group to develop independent traffic and toll revenue estimates of The US 301 Toll Road. The proposed project is an upgrade to US 301 to a limited-access facility serving the Middletown, Delaware. The proposed US 301, as designed, would serve as a necessary transportation segment that could provide relief to the increasing congestion on the currently operating roadway infrastructure serving the thriving community of Middletown. The goals of the project are to improve and enhance highway safety, manage long-haul truck traffic, and address existing and projected traffic congestion in the US 301 corridor.

Jacobs prepared this comprehensive traffic and revenue forecast using a corridor model approach. Survey and count data completed by others for the DOT was included as source data in our efforts along with supplemental data that Jacobs collected to meet the data needs of this study. Jacobs originally conducted this study in 2013. Over the past two years, additional traffic and socio-economic data has become available, and the planned opening date for the project has changed. This additional data and change in opening date have been considered in the preparation of this document and the traffic and revenue estimates provided herein.

The findings of our study characterize the corridor as a mix of local trips and long distance through trips using 301 as an alternate route to I-95 in Maryland. The average trip length is longer than for typical facilities, but is expected given the rural nature of the corridor. Middletown is the center of commerce for a large radius attracting routine shopping, recreation, and other similar trips from areas including Maryland. Because of this, US 301 functions for a large portion of users as "main street" and is an essential part of their daily activities. The relative high average trip frequency of 1.92 trips per week supports the local nature of many of the roadway's current trips. Fifty-five percent of motorists surveyed at the state line self-identified as local trips. The "local" motorists would be both familiar with potential alternate routes and less willing to repeatedly pay for trips to the store, dry cleaners or other similar errands.

Jacobs prepared estimates of toll traffic and revenue for both ORT and AET Collection. For the AET case toll revenues reach $22.7 Million in 2022, the first year after ramp-up and increase to $83.4 Million by 2060, nearly 40 years after ramp-up is completed. Total toll transactions quickly grow to 15,900 vehicles per day with the losses attributable to toll increases roughly offsetting the background traffic increases and peaking at 17,400 daily toll transactions in 2060.

Similarly, for the ORT case toll revenues reach $23.7 Million in 2022, the first year after ramp-up and increase to $87.1 Million in 2060. Total toll transactions quickly grow to 16,000 vehicles per day with the losses attributable to toll increases roughly offsetting the background traffic increases and peaking at 17,600 daily toll transactions in 2060.

1 Introduction

An upgrade to US 301 to a limited-access facility serving the Middletown, Delaware region has been actively pursued by local officials for much of the last decade. The proposed project, as designed, would serve as a necessary transportation segment that could provide relief to the increasing congestion on the currently operating roadway infrastructure serving the thriving community of Middletown. The goals of the project are to improve and enhance highway safety, manage long-haul truck traffic, and address existing and projected traffic congestion in the US 301 corridor. The project will also need to achieve these goals while minimizing environmental impacts and accommodating existing, as well as planned development. West of the Maryland State Line US 301 has been improved and upgraded; this link through Delaware would help achieve the transportation goals of the region.

Currently, US 301 passes through the rapidly growing town of Middletown, Delaware, resulting in traffic issues for locals and long distance travels alike. The proposed project would construct a new limited-access roadway bypassing the center of the town by connecting the previously improved US 301 across the Maryland State Line to a new connection with Delaware State Route 1 just south of the Chesapeake and Delaware Canal. This new roadway would offer speedier travel to long-distance travelers utilizing the corridor as an alternate to congested I-95 through Baltimore, as well as a new route choice for commuters and travelers in the Middletown region.

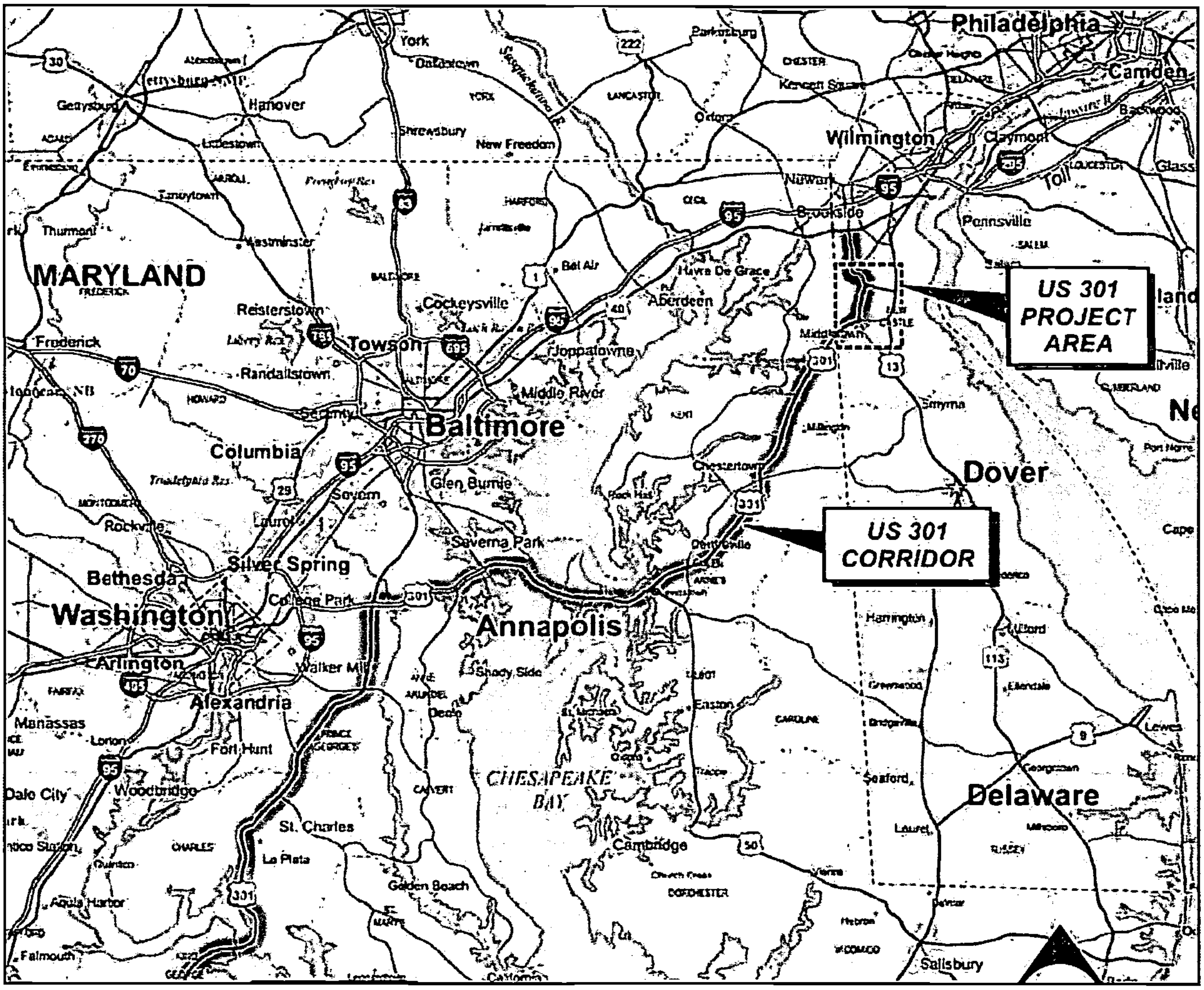
Jacobs originally conducted this study in 2013. Over the past two years, additional traffic and socio-economic data has become available, and the planned opening date for the project has changed. This additional data and change in opening date have been considered in the preparation of this document and the traffic and revenue estimates provided herein.

1.1 Project Description

Improving US 301 near Middletown, DE has been in the forefront of discussions amongst local transportation authorities for a long time. In 2005, the project proponents initiated a comprehensive public outreach and involvement program, resulting in a Range of Alternatives presented to the public in June of 2005. In May of 2007, a preferred alternative was selected for the US 301 Project.

The US 301 Toll Road, referred to herein as "the project," is approximately 14 miles long with its western end just east of the DE/MD state line. Its eastern end would terminate at SR 1, just south of the Chesapeake and Delaware (C&D) Canal. A map showing the location of the project is provided in Figure 1. The project, for the purposes of this investigation, was assumed to be a four-lane (two in each direction) facility with limited access. Ramps would provide access to and from Levels Road, Summit Bridge Road (former US 301), and Jamison Corner Road.

Figure 1: Project Location Map



Source: DelDOT, FEIS November 2007

Tolls would be collected primarily by electronic means, either with an All Electronic (AET) or open-road (ORT) setup. In the case of AET, the payment of toll fees is accomplished through the placement of toll gantries with electronic equipment designed to collect motorist payment information from in-vehicle transponders, or through identification of the motorist by way of their vehicle's license plate. No cash would be accepted at the time of travel, and toll collectors would not be present. In the case of ORT, however, staffed lanes accepting cash payment would be constructed off to the side of the road, allowing vehicles equipped with an in-vehicle transponder to proceed through the mainline toll gantry without stopping. Violators would be identified using similar equipment to that of an AET system.

A spur road is planned to be developed in the future, providing a higher speed link between Middletown (near the proposed Level's Road Ramps) and the Summit Bridge over the C&D Canal. This spur was not considered in the analysis presented herein.

1.2 Project Scope

Delaware Department of Transportation retained the services of the Jacobs ('Jacobs') Engineering Group to develop independent traffic and toll revenue estimates of The US 301 Toll Road.

The analysis assumed an opening date of January 1, 2019. The estimates were developed in sufficient depth in order to serve as useful data to either finance the project through the issuance of publicly held debt, or through some potentially privately financed method.

The overall work program called for a data collection and traffic observation effort similar to prior efforts, designed to enhance the previously gathered pool of data. Included in these new efforts were traffic data collection regarding existing traffic levels (through a count program and surveys of roadway conditions), and utilizing a GPS monitoring program of travel speeds and delays in the immediate Middletown area and the Baltimore I-95 corridor with which the proposal toll road would compete for long distance travelers.

Finally, an economic analysis was conducted to ascertain information concerning economic growth and development in the region.

All of these individual datasets and necessary inputs to the overall study process are described in more detail in separate chapters of this report document.

2 Existing Conditions

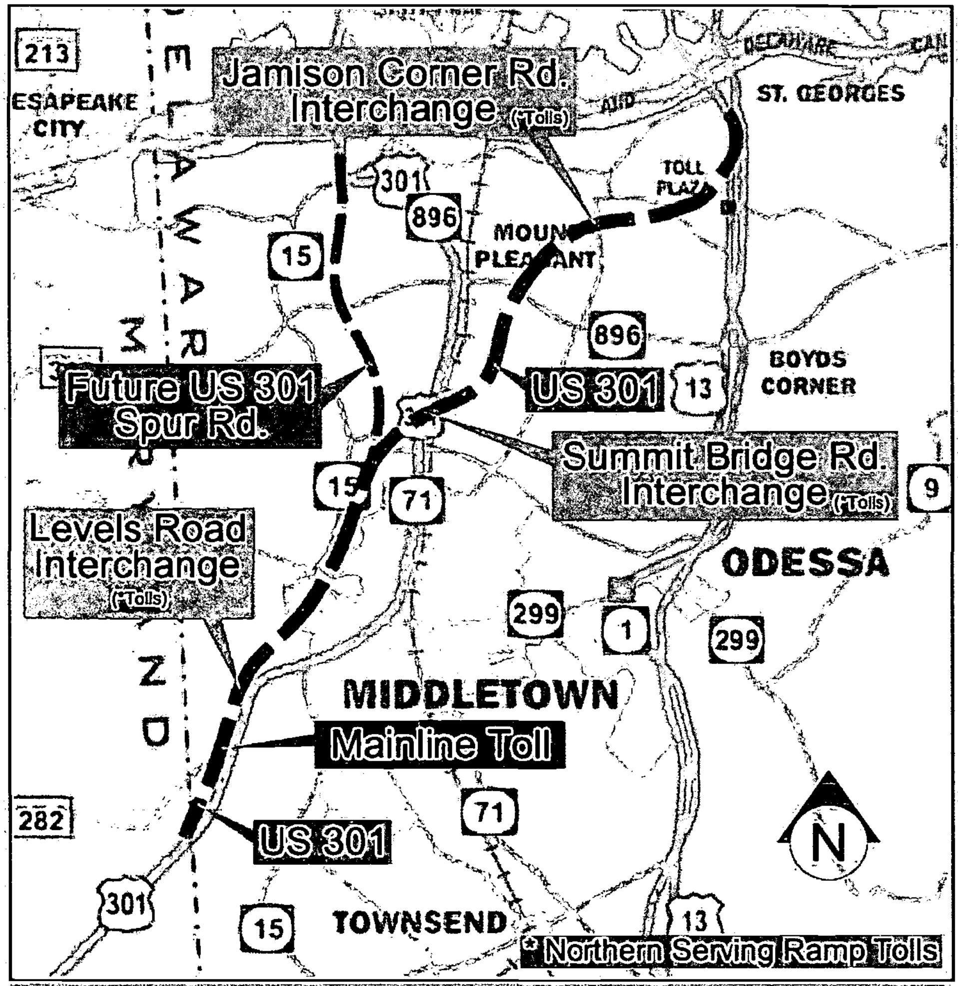
In this chapter, the roadway transportation network, traffic conditions and travel characteristics of the study area are discussed. Historical information obtained from previous studies & local authorities is presented as well as existing information gathered through traffic counts and travel time runs.

2.1 The Role of US 301

Currently, US 301 services both local and long distance travelers, for a wide variety of trip types. In the immediate study region, US 301 acts as an important local route providing access to and from the town of Middletown, DE. For longer distance trips, it provides access to Baltimore, MD; Wilmington, DE, and points beyond. US 301 provides an alternate route option for through travelers in the I-95 corridor, offering less congested roadways and fewer toll booths.

The project is approximately 14 miles long with its western end just east of the DE/MD state line. Its eastern end would terminate at Delaware State Route 1, just south of the Chesapeake and Delaware (C&D) Canal. The project, for the purposes of this investigation, was assumed to be a four-lane (two in each direction) facility with limited access. Ramps would provide access to and from Levels Road, Summit Bridge Road (former US 301), and Jamison Corner Road. A map of the project is provided in Figure 2.

Figure 2: Project Map



Sources: DelDOT US 301 Record of Decision, Jacobs

The following are brief descriptions of various roadway segments in the study area.

- Existing US 301: This roadway alternates between one lane in each direction in rural areas and two lanes in each direction with a divider closer to populous areas within Middletown. There are traffic lights in more densely populated regions, as well as turn lanes.
- Route 896: This roadway is one lane in each direction between existing US 301 and US 13.Primarily residential and farmland.
- Route 299: This roadway is one lane in each direction between existing US 301 and SR 1, designated as Main Street in Middletown, DE. One lane in each direction, with turn lanes, traffic lights, and curbside parking.
- Cedar Lane Road: This roadway is one lane in each direction. Primarily residential and farmland.
- Levels Road: This roadway is one lane in each direction. Primarily residential and farmland.

- Warwick Road: This roadway is one lane in each direction. Primarily residential and farmland, Designated as Main Street through small town of Warwick, MD.
- Sassafrass Road (Maryland): This roadway is one lane in each direction. Primarily residential and farmland.
- Edgar Price Road (Maryland): This roadway is one lane in each direction, with poor pavement. Primarily farmland.

2.1.1 Alternate Routes

US301 in the project corridor serves two main purposes: as a "main street" to the local community, and as a small part of the long-distance travel corridor avoiding I-95 and the Baltimore, MD area.

US 301 provides a local "main street" type service within the immediate area of Middletown, DE. There are many smaller local roads that can be used in combination to avoid sections of US 301 if a detour is desired. Some of the local roads have weight restrictions in place, limiting the alternate route choices for trucks traveling locally.

Several routes compete with US 301 for longer distance traffic, including I-95 and SR 1. Each of these roadways is unique in its benefits and shortfalls, but all are available to both cars and trucks. Some of the more local roadways providing access to these main routes have some existing weight restrictions, such as Route 299. Figure 3 presents several of the more popular route choices available to cars and trucks traveling in the US 301 corridor. Table 1 presents a comparison of toll rates in the region.

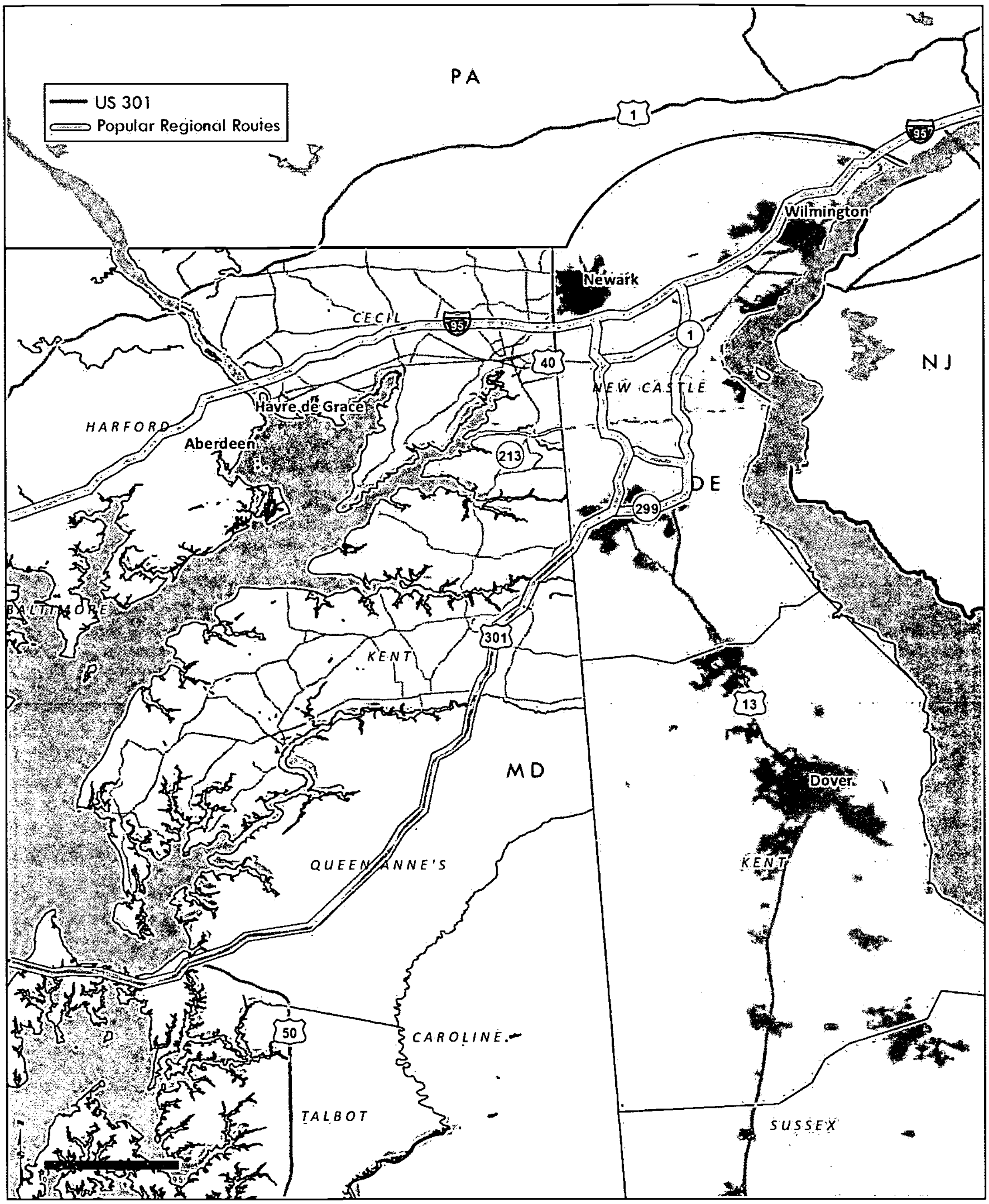
Table 1 : Regional Toll Rates, 2015

2013 Toll Rates	Delaware		Maryland (1)		
	I-95 Newark Toll Plaza	SR 1 Biddles Toll Plaza (2)	I-95 Kennedy Highway	I-95 Fort McHenry Tunnel	US 50/301 Bay Bridge
2-axle	$4.00	$1.00	$8.00	$4.00	$6.00
5-axle	$9.00	$5.00	$48.00	$24.00	$36.00

(1) Cash and Non-MD E-ZPass Rates

(2) Weekday Rate

Figure 3: Popular Route Choices in the Region



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2.1.2 Planned Regional Improvements

Efforts are underway throughout the greater region to improve capacity and traffic flow in the corridor. The following list provides some of the ongoing and planned projects:

- I-95 was recently widened to five lanes in each direction from SR 1 to the junction of I-95/I-295/I-495 in Wilmington, DE.
- Express Toll Lanes on I-95 north of Baltimore were recently completed and came into service December 2014.
- I-95/SR 1 interchange reconstruction is currently underway.
- SR 1 from I-95 interchange to Tybouts Corner is scheduled to be widened from two to three lanes in each direction by 2020.
- SR 1 from Tybouts Corner to the Roth Bridge over the C&D Canal is scheduled to be widened by 2030.
- US 40 Corridor Improvements from the Maryland State line to US 13, including improvements at the intersection with SR 896, are scheduled to take place before 2020.
- SR 299 from SR 1 to Catherine Street is scheduled to be widened from two lanes to four beginning this fiscal year.

Additionally, the Roth Bridge can be restriped to widen from three to four lanes in each direction, when warranted by capacity needs.

Jacobs considered these improvements in the development of their toll traffic and revenue estimates.

2.2 Traffic Data Collection

This section summarizes the results and analysis of the traffic data collection program that was conducted by Jacobs in the Middletown area. The purpose of the traffic data collection program was to develop a proper understanding of the existing traffic conditions on the roadway network surrounding the Project Area. This understanding enabled Jacobs to properly develop the model required to forecast tolled traffic and revenue for the proposed toll facility.

The data collection program consisted of combining historical data with newly collected data of the following types:

1. Existing Traffic Volumes
2. Supplemental Traffic Counts
3. Turning Movement Counts (as done by others in 2010, 2011, and 2012)
4. Classification Counts
5. Travel Time Analyses
6. Origin Destination and Customer Characteristics Surveys (as done by others in 2005 and 2011)

2.2.1 Existing Traffic Volumes

Traffic volumes for select roadways in the region were analyzed to allow for an understanding of current as well as historical travel patterns. Traffic trends were analyzed on various levels, including annual volume totals, average annual daily traffic (AADT), average daily traffic (ADT), vehicle class composition (passenger vs. commercial) as well as seasonal and daily variations in traffic.

Traffic volume data were obtained from a variety of sources, including Delaware State Department of Transportation (DelDOT), Maryland State Highway Administration (MD SHA), Toll Authorities, previous corridor studies, and recent traffic counts.

There is a permanent count station located on US 301 near the Maryland State line, very close to the location of the proposed mainline toll collection point. This count station provides hourly traffic counts on a daily basis, which can be used to analyze a myriad of traffic trends in the area, including class composition and seasonal traffic changes. Unfortunately, this count station has been out-of-service since June 2013. Tube counts and information from another permanent count station 1 mile away, also located on US 301, have been used to estimate volumes at the state line while the permanent count station is out-of-service. Figure 4 and Figure 5 represent the annual and monthly average daily traffic volumes through the count station near the MD/DE State line.

Figure 4: Average Annual Daily Traffic near the State Line, by year, 2008 - 2014

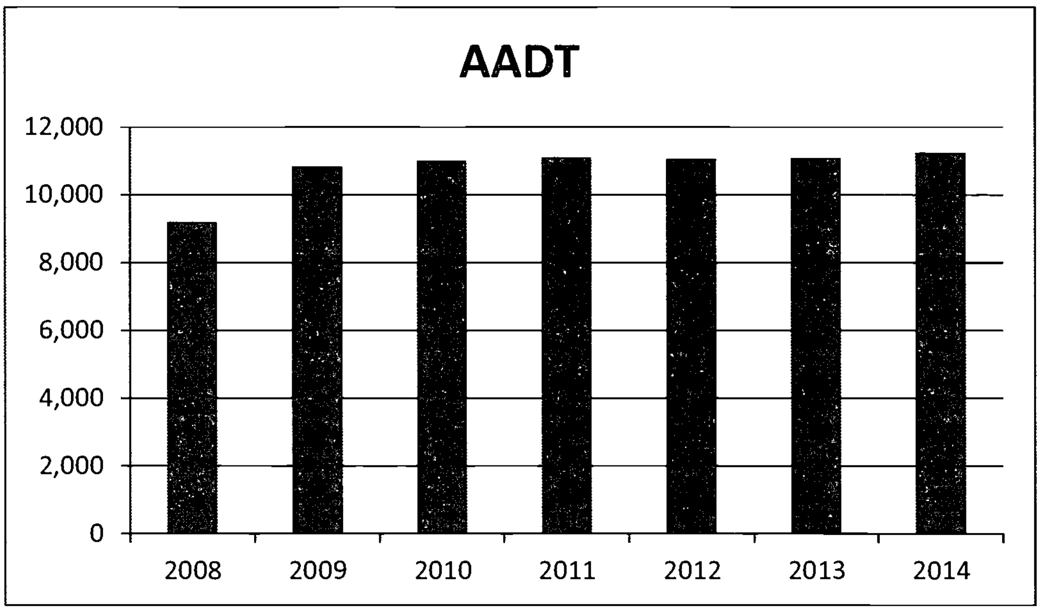


Figure 5: Average Daily Traffic near the State Line, by Month, 2008- 2014

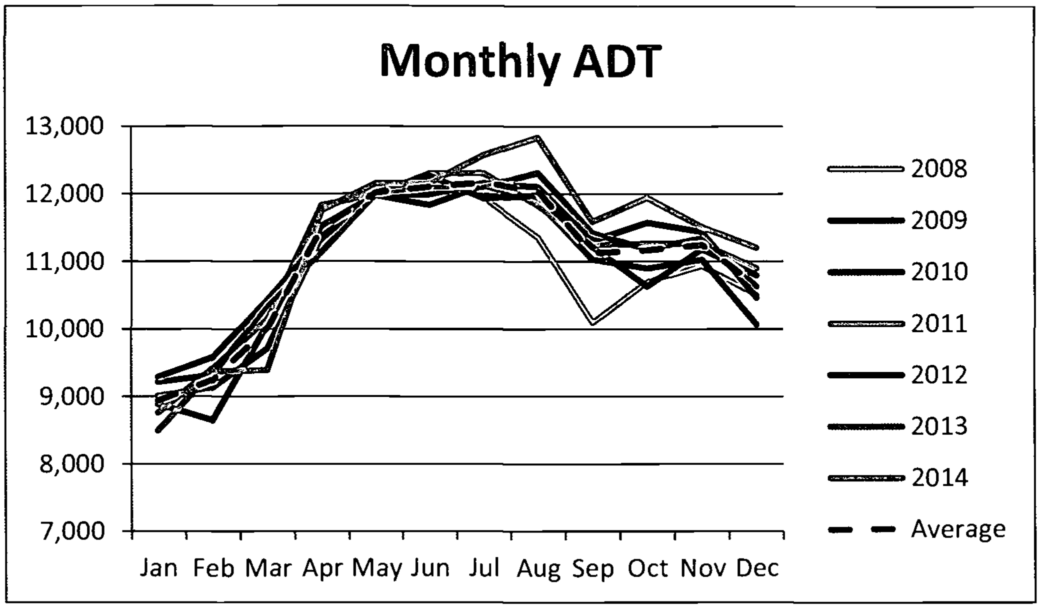
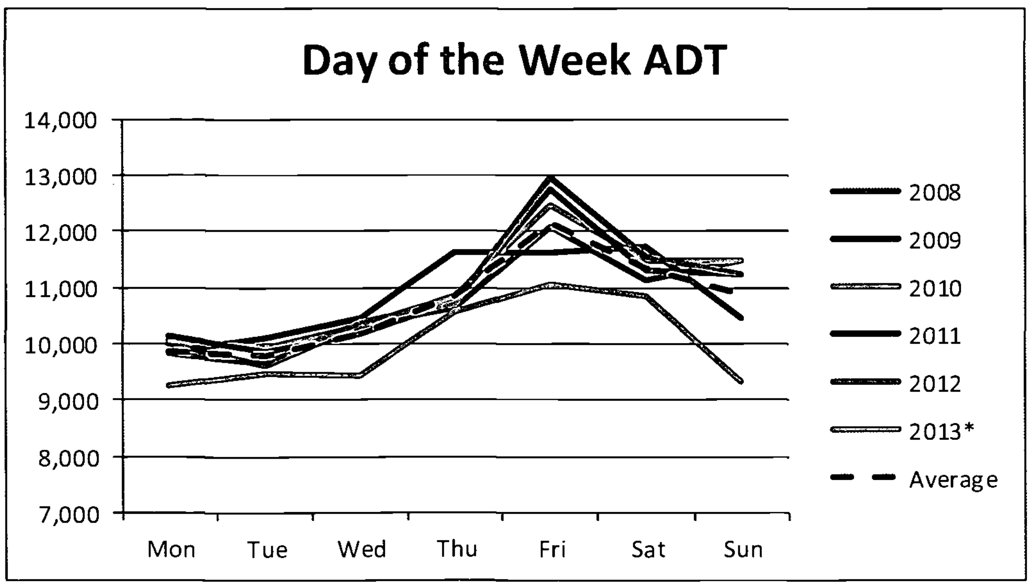


Figure 6 presents the trend in average daily traffic by day of the week, showing the highest traffic volumes on Fridays, as commuter and weekend traffic overlap. Overall, weekend volumes are relatively similar to, if not slightly higher than, weekday volumes.

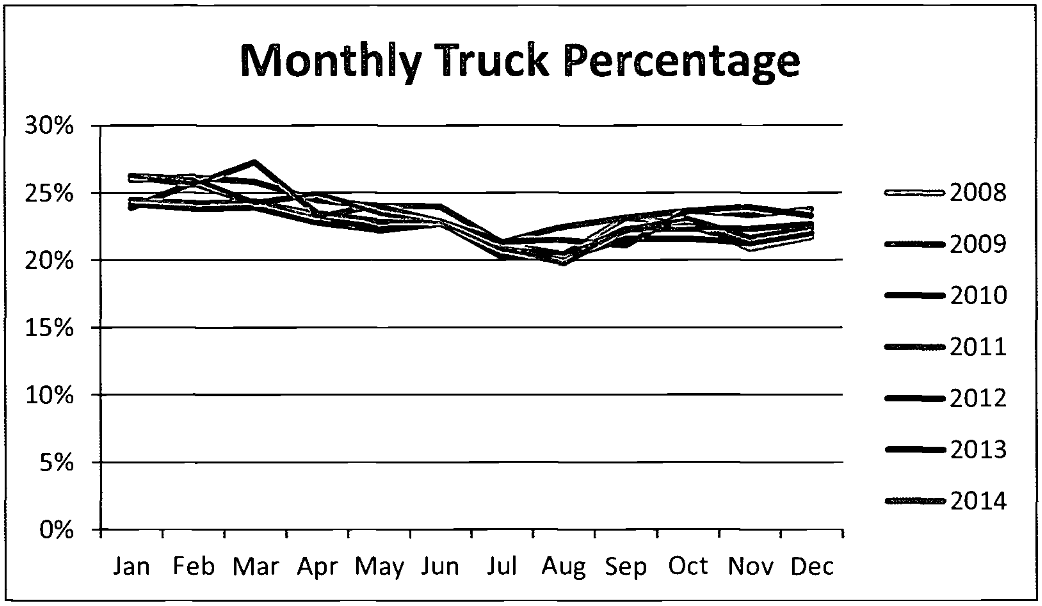
Figure 6: Average Daily Traffic, near the State Line, by Day of Week, 2008 - 2013



* Partial year 2013 data

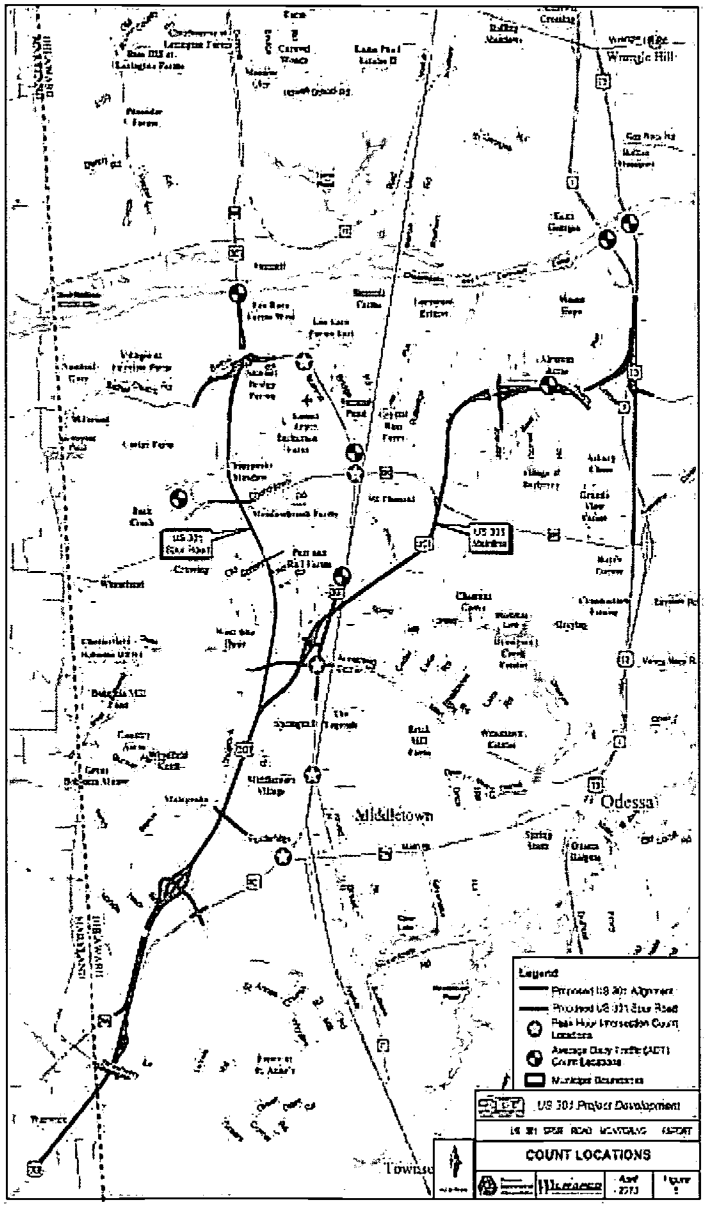
Figure 7 illustrates the trend in the composition of vehicle class throughout the year. Trucks are a slightly higher percentage of total vehicles in the winter and spring than they are in the summer and fall. This is logical, since more people travel for recreational purposes during the summer months and fall holidays, diluting the truck traffic as a percentage of overall traffic.

Figure 7: Percent of Traffic Composed of Trucks near the State Line, by Month, 2008-2014



Additionally, as part of the ongoing monitoring of the need for the proposed US 301 Spur, data is collected annually in October and November at several locations along the US 301 corridor. Figure 8 presents a map of locations for which data is collected as part of this spur monitoring program. Table 2 presents one of the tables from the Draft April 2015 Spur Monitoring Report, showing traffic volumes at select locations in the corridor over the past three years. Table 3 shows a similar table from the Spur Monitoring Report, providing Truck Volumes at these same locations over the course of the past three years.

Figure 8: Map of Spur Report Data Collection Locations



Source: US 301 Spur Road 2012 Monitoring Report, April 2013

Table 2: Summary of Volumes from US 301 Spur Road Monitoring Report

Average Daily Traffic for Select Roadway Segments along US 301					
Roadway Link	**2010 ADT***	**2011 ADT**	**2012 ADT**	**2013 ADT**	**2014 ADT**
Summit Bridge (US 301)	27,600	32,360	29,260	30,250	31,250
Choptank Rd, North of Churchtown Rd	3,990	4,090	4,810	4,940	4,980
SR 1 at Roth Bridge	73,690	78,740	74,900	76,940	77,280
US 13 at St. Georges Bridge	10,600	9,070	12,190	12,270	13,520
US 301 / SR 896, North of Mt. Pleasant	23,450	23,810	24,750	24,980	24,490
US 301, between Armstrong Corner Rd and Mt. Pleasant	21,830	22,460	22,710	22,360	22,860

* Data was collected for a seven (7) day period in October / November 2010, 2011, and 2012. Seasonal Adjustments were not made to these volumes because: a) October/November volumes are typically representative of the annual average volumes, and b) because volumes will be collected during the same months in subsequent years.

Source: Draft US 301 Spur Road 2012 Monitoring Report, April 2015

Table 3: Summary of Truck Volumes from US 301 Spur Road Monitoring Report

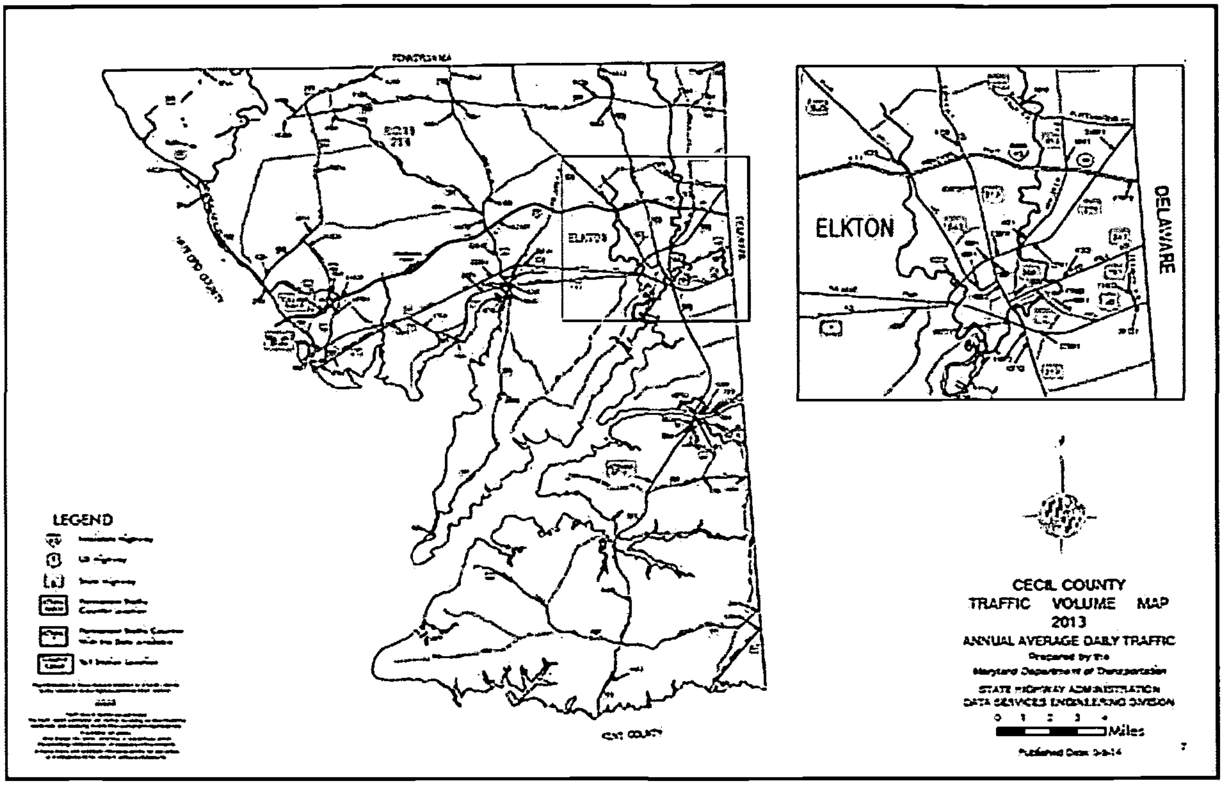
Average Daily Truck Volume and Average Daily Truck Percentage* on Select Roadway Segments along US 301										
Roadway Link	**2010**		**2011**		**2012**		**2013**		**2014**	
Summit Bridge (US 301)	2,210	8%	3,100	10%	2,370	8%	2,480	8%	2,650	8%
Choptank Rd, North of Churchtown Rd	490	12%	560	14%	370	8%	170	3%	222	4%
DESR 1 1 at Roth Bridge	7,860	11%	9,020	11%	7,840	10%	6,620	9%	8,330	11%
US 13 at St. Georges Bridge	570	5%	440	5%	1,165	10%	585	5%	680	5%
US 301 / SR 896, North of Mt. Pleasant	1,970	8%	1,840	8%	2,300	9%	1,840	7%	1,670	7%
US 301, between Armstrong Corner Rd and Mt. Pleasant	2,910	13%	3,000	13%	3,075	14%	2,990	13%	2,930	13%

* Trucks include FHWA Class 5-13, representing all trucks larger than and including two-axle single unit trucks, such as UPS delivery trucks and DART Paratransit buses.

Source: Draft US 301 Spur Road 2012 Monitoring Report, April 2015

Traffic volume maps from the Delaware Department of Transportation provide estimates of average daily traffic on various routes in the region. Furthermore, relevant data collection locations across the Maryland State line are monitored by the Maryland State Highway Administration. Figure 9 shows a sample of the available county traffic volume data.

Figure 9: Cecil County, MD Traffic Volume Map, 2013



2.2.1.1 Supplemental Traffic Counts

Jacobs collected supplemental traffic count data in July 2013, at the locations shown in Figure 10. Both full-week 7-day traffic counts and weekday-only 4 day (weekday) traffic counts were made. These traffic counts were performed by Jacobs' personnel using standard automatic traffic recorders (ATRs) with pneumatic hose counters. In addition to the total vehicle counts, the ATRs also reported the FHWA standard vehicle classification (Vehicle Classification Scheme "F") by axle at each of the count locations.

Figure 10: Traffic Count Locations

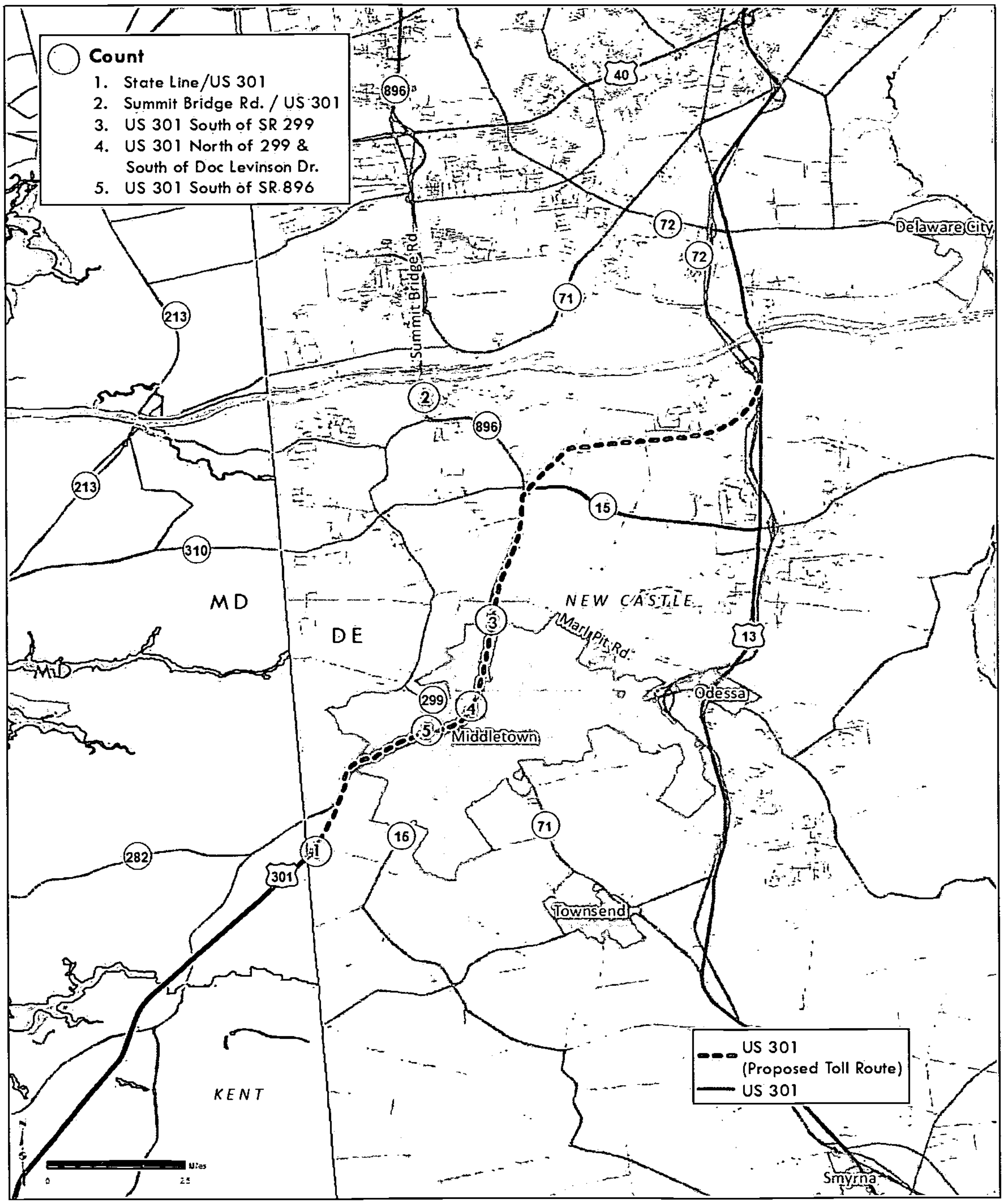


Figure 11 summarizes the traffic volumes recorded at the five supplemental traffic count locations. Days with partial or corrupted data were omitted from this figure, so some locations show a different number of days counted than four or seven. As shown by the graph, there is no clear distinction between weekday and weekend day traffic volumes.

Figure 11: Count Volumes by Day and Location, Summer 2013

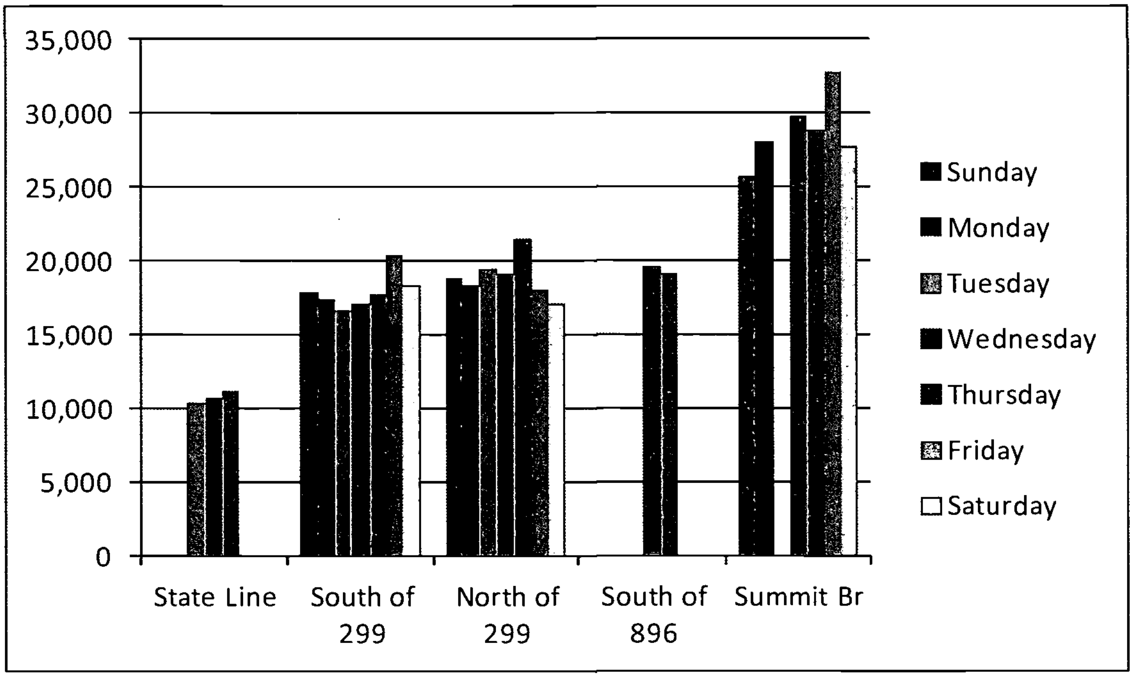


Figure 12 presents a comparison of the volumes for an average weekday (Tuesday through Thursday) for each count location, and Figure 13 presents the distribution of vehicle classes at these locations. In general, locations further north (closer to the C&D Canal) on existing US 301 have progressively higher traffic volumes. The truck volume remains fairly constant throughout the corridor, thus the truck share of overall traffic decreases to the north.

Figure 12: Traffic Volumes along Existing US 301, Average Summer 2013 Weekday (T-TH)

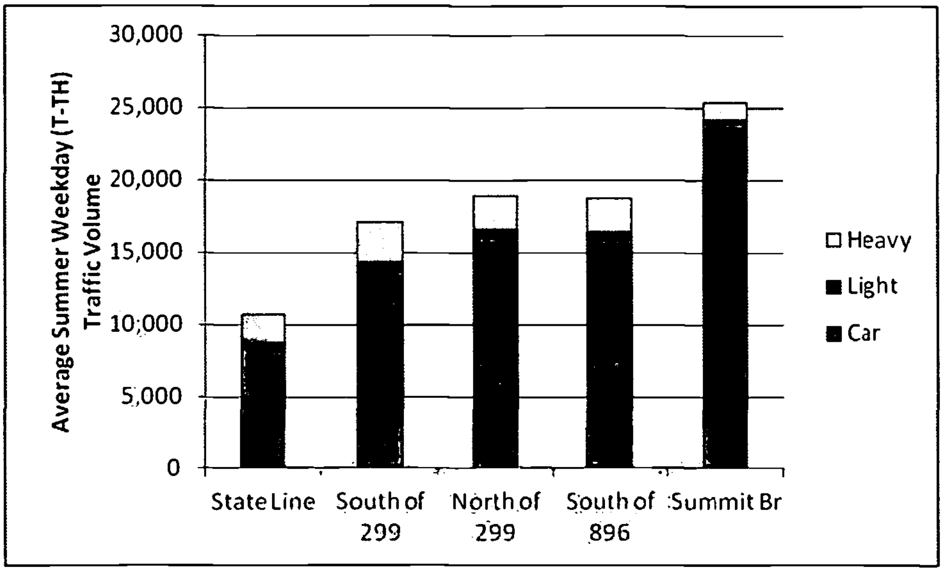


Figure 13: Distribution of Vehicle Class along Existing US 301, Average Summer 2013 Weekday (T-TH)

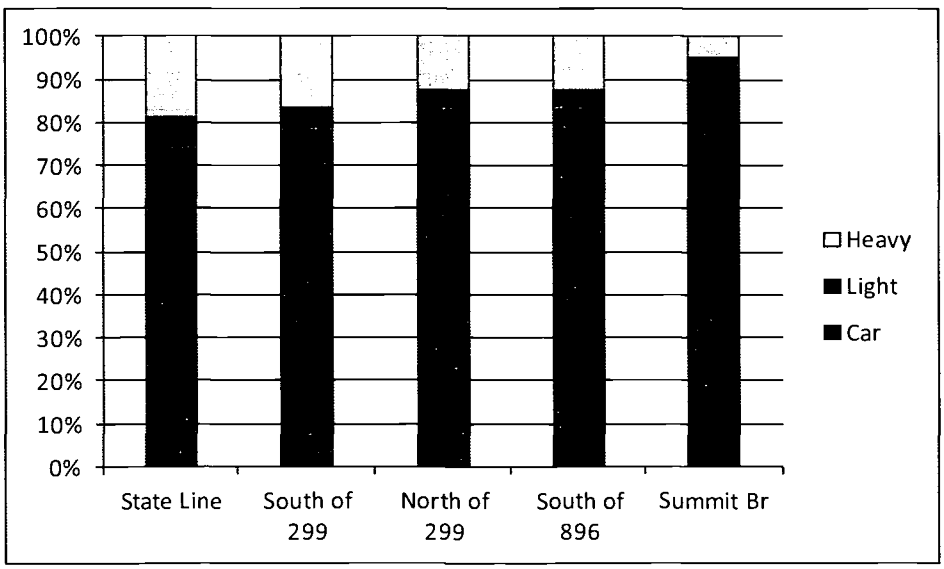


Figure 14 presents the hourly two-directional traffic patterns observed on existing US 301 for an average weekday. These graphics show that traffic volumes peak for northbound travel in the mornings at both the Summit Bridge and near the Maryland State Line, while southbound traffic volumes are higher in the evenings. This type of difference in traffic volumes by direction is typical of commuter traffic. However, for much of the existing US 301 corridor, there is very little difference in traffic volumes by direction, with peak hour traffic occurring during PM hours in both directions of travel.

Figure 14: Hourly Traffic Profiles, by Count Location, Average Summer 2013 Weekday (T-TH)

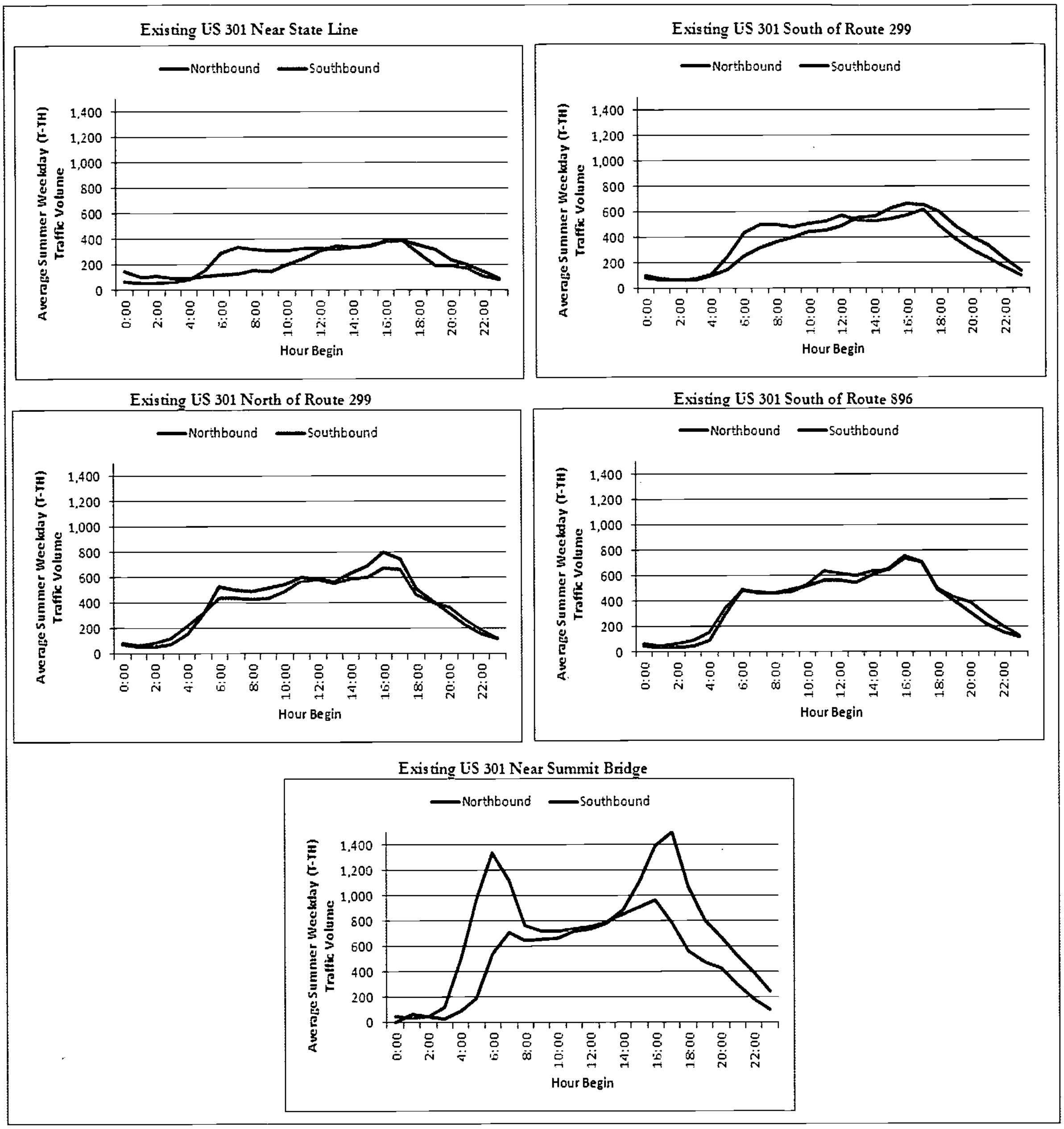


Figure 15 and Figure 16 present the hourly profiles of traffic observed throughout the week on US 301 south of the junction with SR 299, the week-long count station nearest the state line. As shown by the northbound profiles, the hourly profile of traffic is quite similar for the seven days of the week, with weekend volumes slightly higher mid-day. Southbound weekday profiles are skewed more toward the PM hours, while weekend profiles are quite similar to those observed in the northbound lanes. Figure 17 presents a comparison of hourly truck volumes observed on Wednesday against those observed on Saturday, illustrating that they follow a similar pattern on weekdays and weekends, with slightly higher volumes on weekdays.

Figure 15: Northbound Hourly Percentages, South of SR 299 by Day of Week, Summer 2013

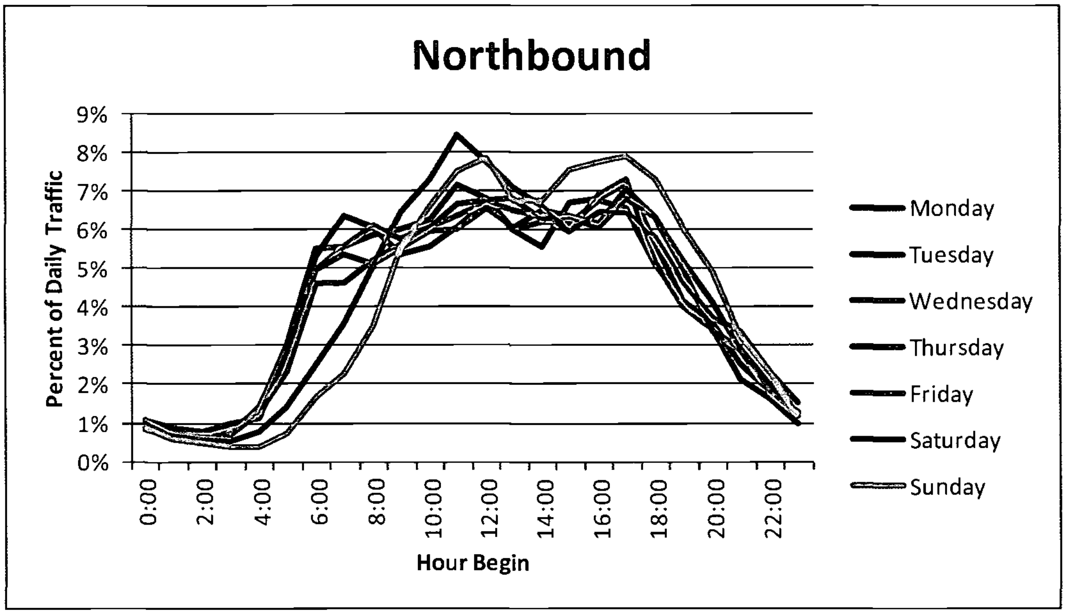


Figure 16: Southbound Hourly Percentages, South of SR 299 by Day of Week, Summer 2013

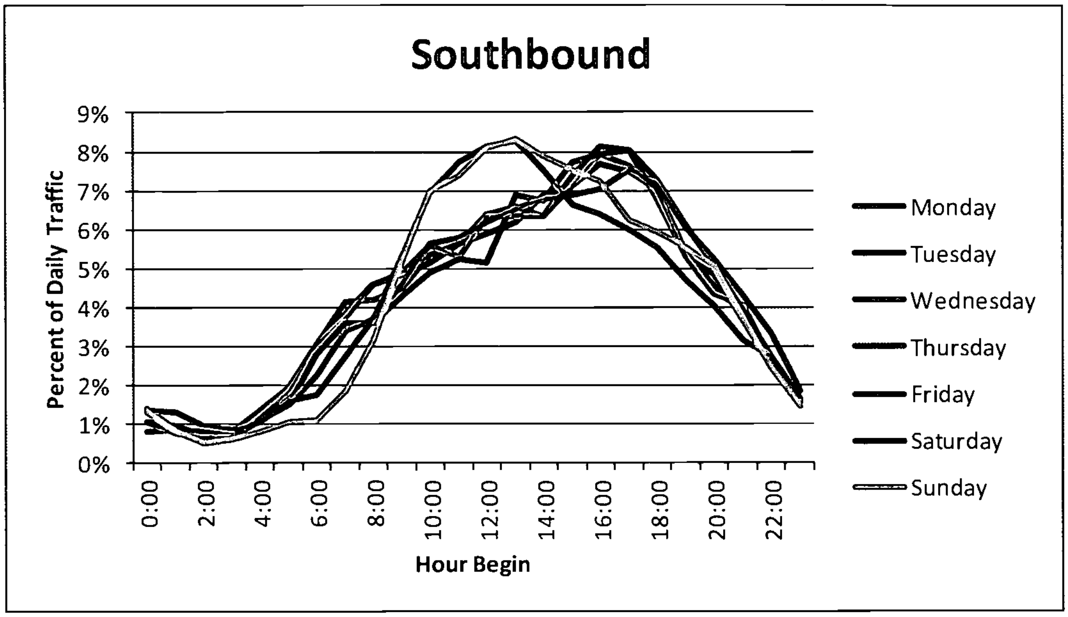
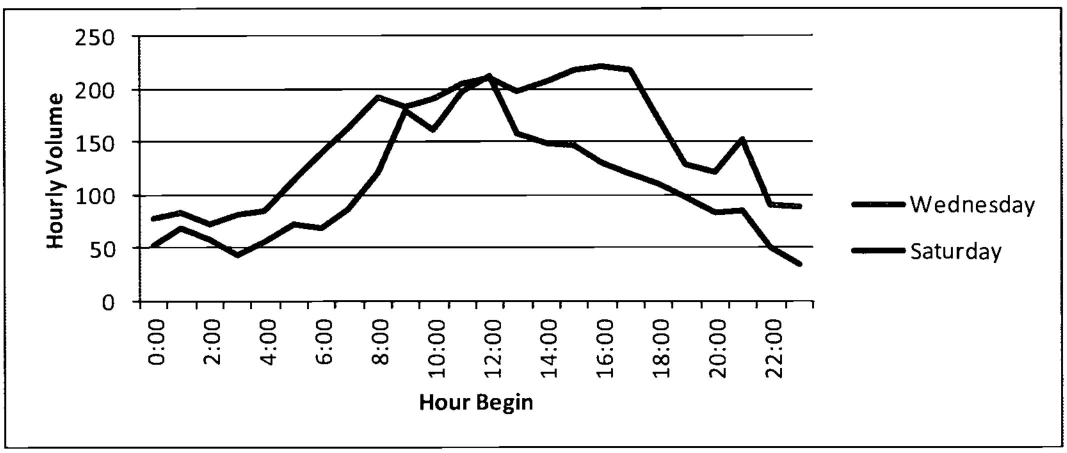


Figure 17: Sample Hourly Truck Volumes, Summer 2013



2.2.1.2 Compiled Traffic Volume Data

Table 4 presents a compilation of average daily traffic data in the corridor collected by various sources in recent years. Table 5 shows the percentage of truck traffic for this same range of traffic data. These data show that volumes on US 301 near the Maryland state line have consistently been in the range of 10,500 to 11,250 vehicles per day, with around 25 percent of traffic composed of trucks. Traffic volumes further north on existing US 301 at the C&D Canal appear slightly less consistent over time, ranging from 21,500 to 30,000 vehicles in an average day, with five to ten percent trucks. This is likely due to differences in sample location and annualization assumptions by source, as data at this location is not collected on a continual basis as it is near the state line.

Table 4: Traffic Volumes by Source and Count Locations, Average Daily Traffic

Data Source	MD ADT Maps	Stantec	Stantec	MD ADT Maps	DelDOT ADT Maps	DelDOT Permanent Counter	MdTA	Spur Report	Jacobs ATR Counts	MD ADT Maps	DelDOT ADT Maps	Spur Report	MdTA	Spur Report	RK&K / DelDOT State Line Estimate
Year	2009	2009	2011	2012	2012	2012	2012	2012	Summer 2013	2013	2013	2013	FY 2014	2014	2014
State Line															
US 301 @ State Line		10,838	11,100		10,249	10,855			10,763		10,884				11,249
Local Rd @ State Line					3,162						3,358				
Canal															
RT 215 @ Canal	14,551			12,791						12,732					
RT 896 @ Canal*			21,600		27,550			29,260	25,465		28,246	30,250		31,250	
US 1 @ Canal					80,235			74,900			85,210	76,940		77,280	
Rt 13 @ Canal								12,190			10,115	12,270		13,520	
Local															
Route 215 E-W State Line					5,001										
Route 215 south of Canal					9,719										
Route 1 E-W State Line					41,899										
Existing 301 north of 896			21,200		22,170			24,760			23,544	24,980		24,490	
Existing 301 south of 896					23,693			22,710	18,769		25,162	22,360		22,860	
Existing 301 north of 299					16,592				19,005		25,162				
Existing 301 south of 299			15,500		16,145				17,171		16,488				
Regional															
Hatem Bridge							28,241						27,123		
JFK Bridge							81,105						78,904		
Bay Bridge							71,562						70,137		

*Some volumes may have been measured north of the canal near Route 71

Source: Varies, as noted in 1st row of table

Table 5: Compiled Daily Traffic by Source and Count Locations, Truck Share of Traffic

Data Source	MD ADT Maps	Stantec	Stantec	MD ADT Maps	DelDOT ADT Maps	DelDOT Permanent Counter	MdTA	Spur Report	Jacobs ATR Counts	MD ADT Maps	DelDOT ADT Maps	Spur Report	MdTA	Spur Report	RK&K / DelDOT State Line Estimate
Year	**2009**	**2009**	**2011**	**2012**	**2012**	**2012**	**2012**	**2012**	**Summer 2013**	**2013**	**2013**	**2013**	**FY 2014**	**2014**	**2014**
State Line															
US 301 @ State Line		2,429	2,600			2,646			2,763						2,584
Local Rd @ State Line															
Canal															
RT 215 @ Canal															
RT 896 @ Canal*			2,100					2,341	1,620			2,420		2,500	
US 1 @ Canal								8,239				6,925		8,501	
Rt 13 @ Canal								1,219				614		676	
Local															
Route 215 E-W State Line															
Route 215 south of Canal															
Route 1 E-W State Line															
Existing 301 north of 896			2,800					2,228				1,749		1,714	
Existing 301 south of 896								3,179	3,024			2,907		2,972	
Existing 301 north of 299									3,171						
Existing 301 south of 299			2,900						3,608						
Regional															
Hatem Bridge							960								
JFK Bridge							9,371						8,942		
Bay Bridge							4,901						4,642		

*Some volumes may have been measured north of the canal near Route 71

Source: Varies, as noted in 1st row of table

2.2.2 Turning Movement Counts

Previous studies collected a variety of turning movement count (TMC) data for various intersections in the project corridor. This data provides some information about popular route choices in the region, but more importantly, can be used to analyze the performance of an intersection. Table 6 presents a summary of the intersection analysis conduction for the Spur Monitoring Report, with "A" representing the best and "F" representing the poorest possible ratings. These indicate that travelers are experiencing some level of delay in the Middletown area, and a toll road option for faster travel may appeal to some travelers.

Table 6: Peak Hour Level of Service at Selected Intersections

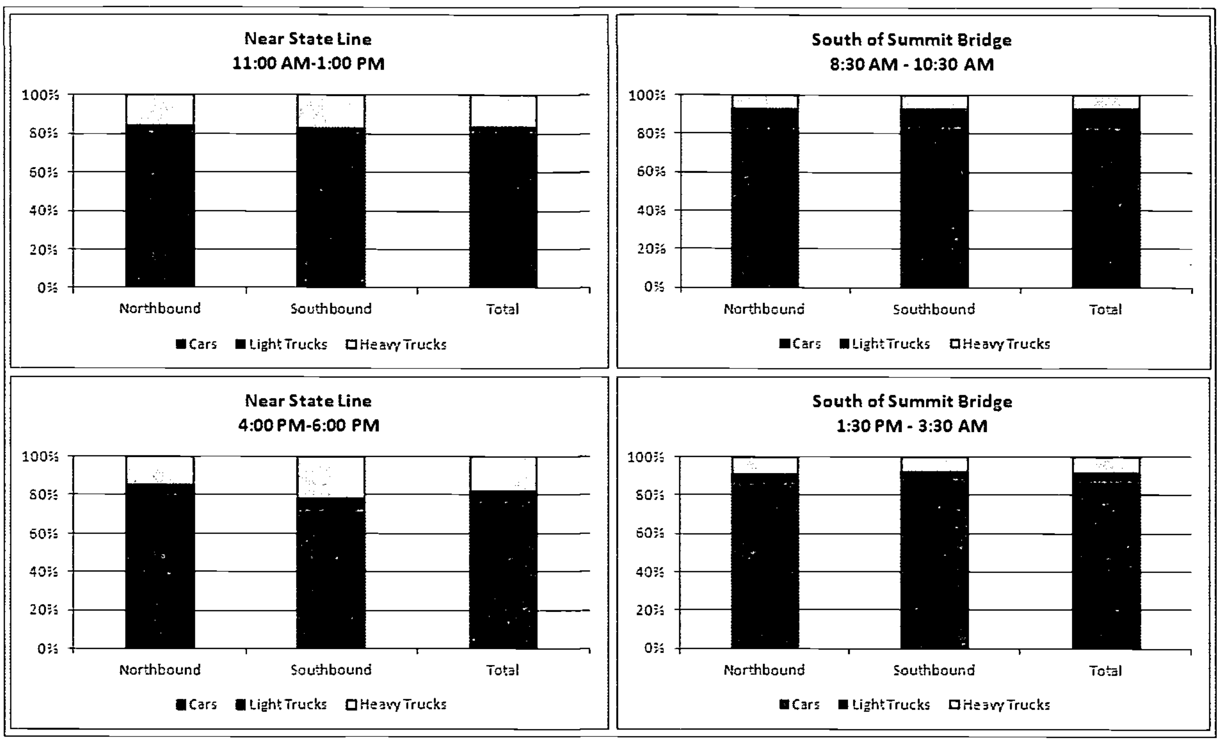
Peak Hour LOS at Selected Signalized Intersections along US 301										
Site	2010		2011		2012		2013		2014	
	AM	PM	AM	PM	AM	PM	AM	PM	AM	PM
US 301 at Old Summit Bridge Rd	A	A	A	A	A	A	A	A	A	A
US 301 at SR 896	C	C	C	C	C	C	C	C	C	C
US 301 at Armstrong Corner Rd	C	C	D	D	C	C	C	C	D	D
Existing US 301 at SR 71	C	D	C	D	C	D	C	D	C	C
Existing US 301 at SR 299	D	D	D	D	D	D	D	D	C	D

Source: Draft US 301 Spur Road 2012 Monitoring Report, April 2015

2.2.3 Manual Vehicle Classification Count Summary

Figure 18 presents a summary of the manual classification counts conducted by Jacobs personnel in July of 2013 near the Maryland State Line and just south of the Summit Bridge. These counts found that heavy truck traffic represented roughly 20 percent of traffic at the state line, and roughly 10 percent of traffic at the Summit Bridge. This is relatively consistent with the hourly count data summaries.

Figure 18: Summary of Class Distribution, Manual Classification Counts, Summer 2013



Source: Jacobs

2.2.4 Travel Time Runs Summary

Figure 19 presents the routes for which travel time was collected in the project corridor during the July 2013. Supplemental mileage and travel time estimates were collected using various online mapping services. Table 7 summarizes the findings of these investigations, and estimates total costs of trips via these various routes, including toll costs and general travel and fuel costs of $0.19 per mile.

Figure 19: Travel Time Routes, Summer 2013

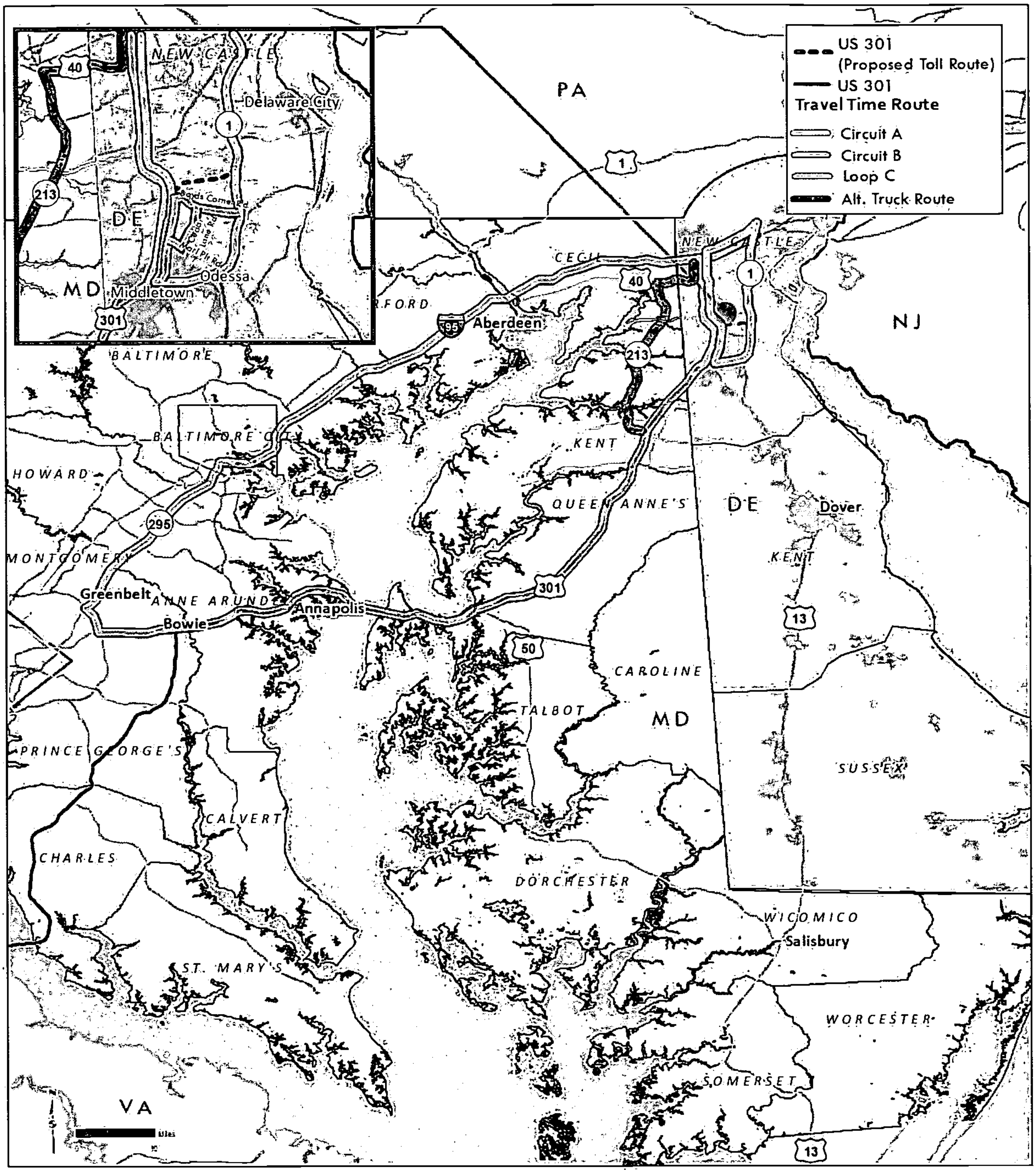


Table 7: Summary of Travel Time Data

Route	Trip Distance	Trip Time	Total Cost of Car Trip	Total Cost of Truck Trip
Long Distance: I-95 @ SR 1 near Wilmington, DE to I-495, Exit 20B near Washington, DC				
Via I-95	88.5	1:46	$56.50	$172.00
Via existing US 301	105.0	2:10	$56.00	$147.50
Via existing US 301 to 896 to Rt 13	107.0	2:10	$56.00	$147.50
Via US 301 to Warwick to 299 to SR 1	106.0	2:08	$57.00	$149.00
Via US 301 to 213 to 40 to 896	108.5	2:21	$59.00	$155.50
Via new US 301	105.0	2:01	$57.50	$151.50
Mid Distance - MD/DE State Line to SR 1 @ C&D Canal				
Via existing US 301 to 896 to SR 1	15.0	0:22	$8.50	$20.00
Via Warwick to 299 to SR 1	14.0	0:20	$9.00	$20.50
Via local roads to 896 to 13	14.5	0:22	$8.00	$18.00
Via new US 301	13.0	0:13	$9.50	$12.00
Short Distance - MD/DE State Line to Armstrong Corner				
Via existing US 301	5.5	0:09	$3.00	$7.00
Via Warwick, service Rd, Summit Br Rd	5.5	0:10	$3.50	$8.00
Via new US 301	5.5	0:05	$6.50	$5.00
Short Distance - Armstrong Corner to SR 1				
Via existing US 301 to 896 to SR 1	6.0	0:09	$3.50	$7.50
Via Summit Br Rd to 896	6.0	0:09	$3.50	$7.50
Via local roads to 896	5.0	0:08	$3.00	$6.50
Via new US 301 to Jamison Corner Rd to 896	7.5	0:10	$4.50	$18.50

Note: Total Cost of Trip includes tolls as well as estimated gas expenses and value of time.

With the completion of several large construction projects in the Baltimore, MD I-95 corridor, there may have been some improvement in travel conditions through the I-95 corridor since these travel time studies were conducted. However, given the nature of travel conditions in urban areas, we think that the previously assumed travel times for I-95 remain reasonable. It should be noted that long distance (through) trips currently traveling on US 301 through the project corridor have illustrated that US 301 is their preferred route over I-95, even without the improved travel conditions that might be expected with the completion of the new roadway.

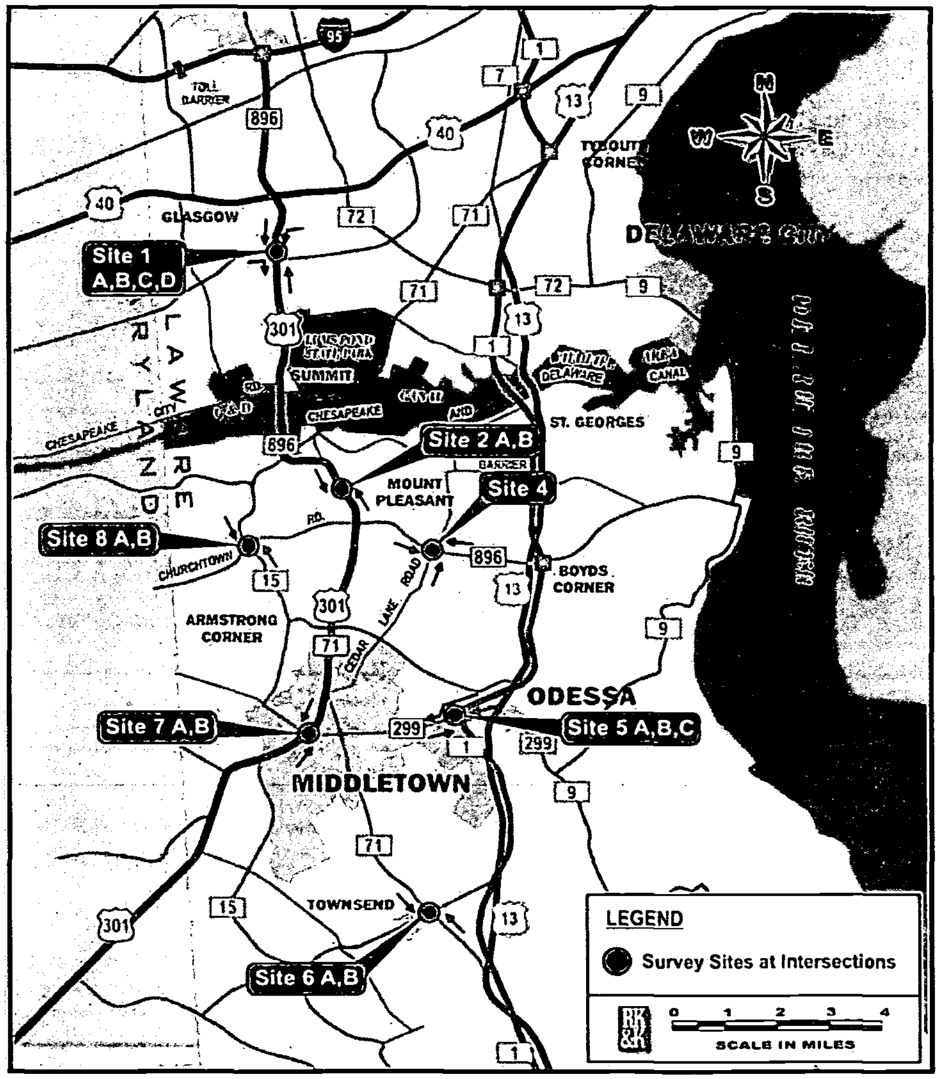
2.3 Travel Survey Summary

The following section discusses travel survey data as well as provides conceptual information toward the understanding of the collected survey data

2.3.1 Origin-Destination and Customer Characteristic Surveys

Multiple user characteristic and origin-destination (O/D) surveys have been conducted previously in the region. A 2005 survey collected trip information at eight locations in the Middletown area, while a 2011 survey collected information near the Maryland state line. Figure 20 shows a map of the 2005 survey locations.

Figure 20: 2005 Origin-Destination Survey Locations



Source: Rummel, Klepper & Kahl, LLP

Figure 21 presents a comparison of the trip frequency found in the different survey years. The user base was different for the two surveys, and the possible responses were worded differently, but a general comparison can be made. Overall, the region experiences higher trip frequency than the state line, which is logical because you would expect more commuters in and around Middletown rather than at the state line.

Figure 22 presents a similar comparison of survey data regarding vehicle classification. The state line saw higher volumes of trucks, which is logical since the state line would be expected to have a larger percentage of long-haul traffic than the average roadway around Middletown.

Figure 21: Trip Frequency

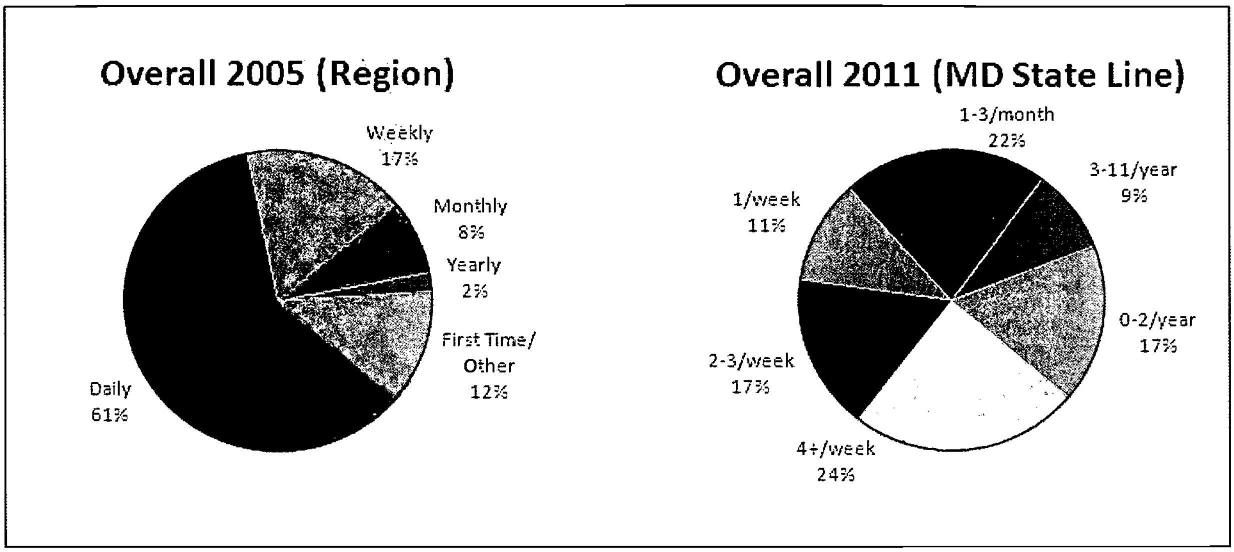


Figure 22: Vehicle Distribution

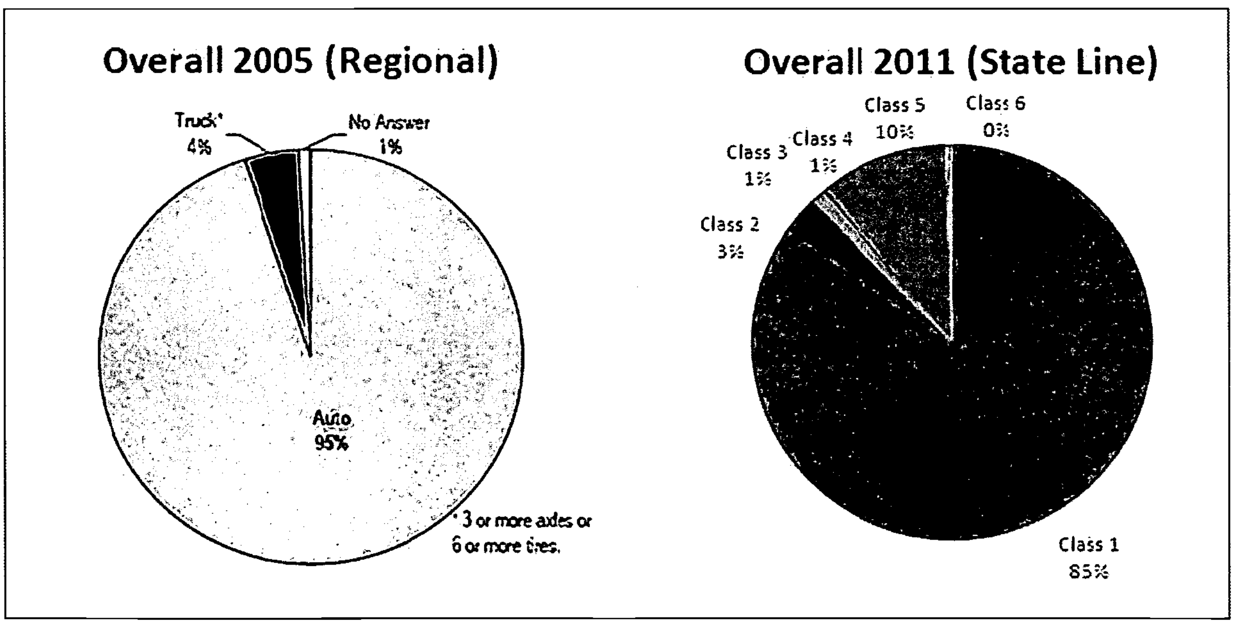


Figure 23 presents a comparison of the surveyed trip purpose. Work trips made up the largest portion of trips surveyed.

Figure 23: Trip Purpose

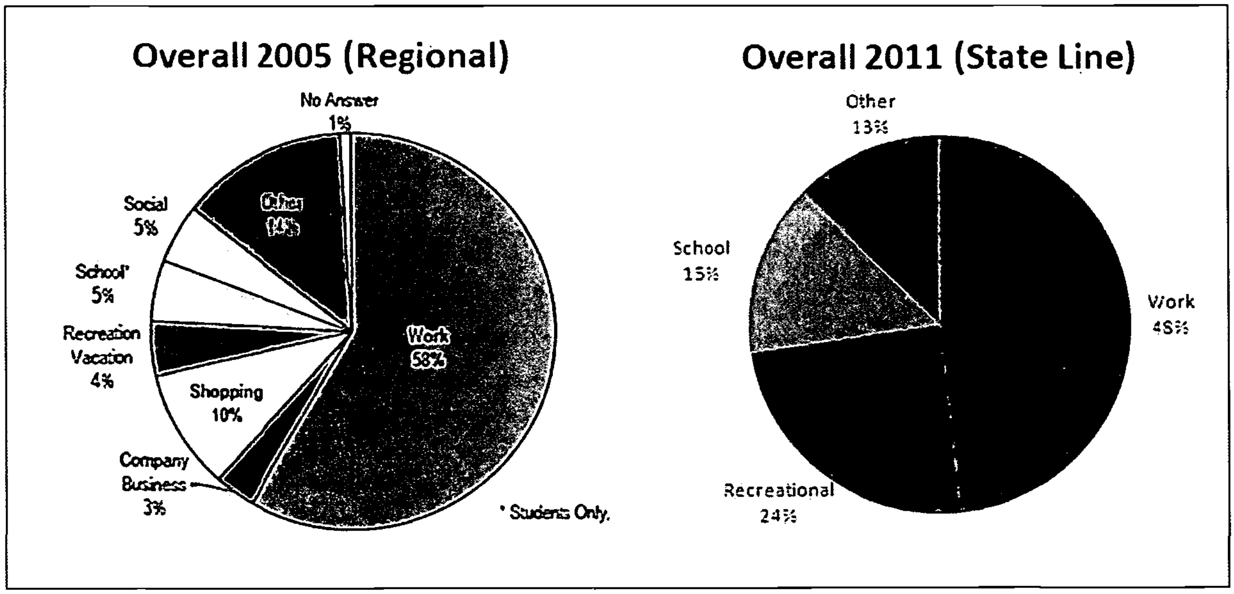
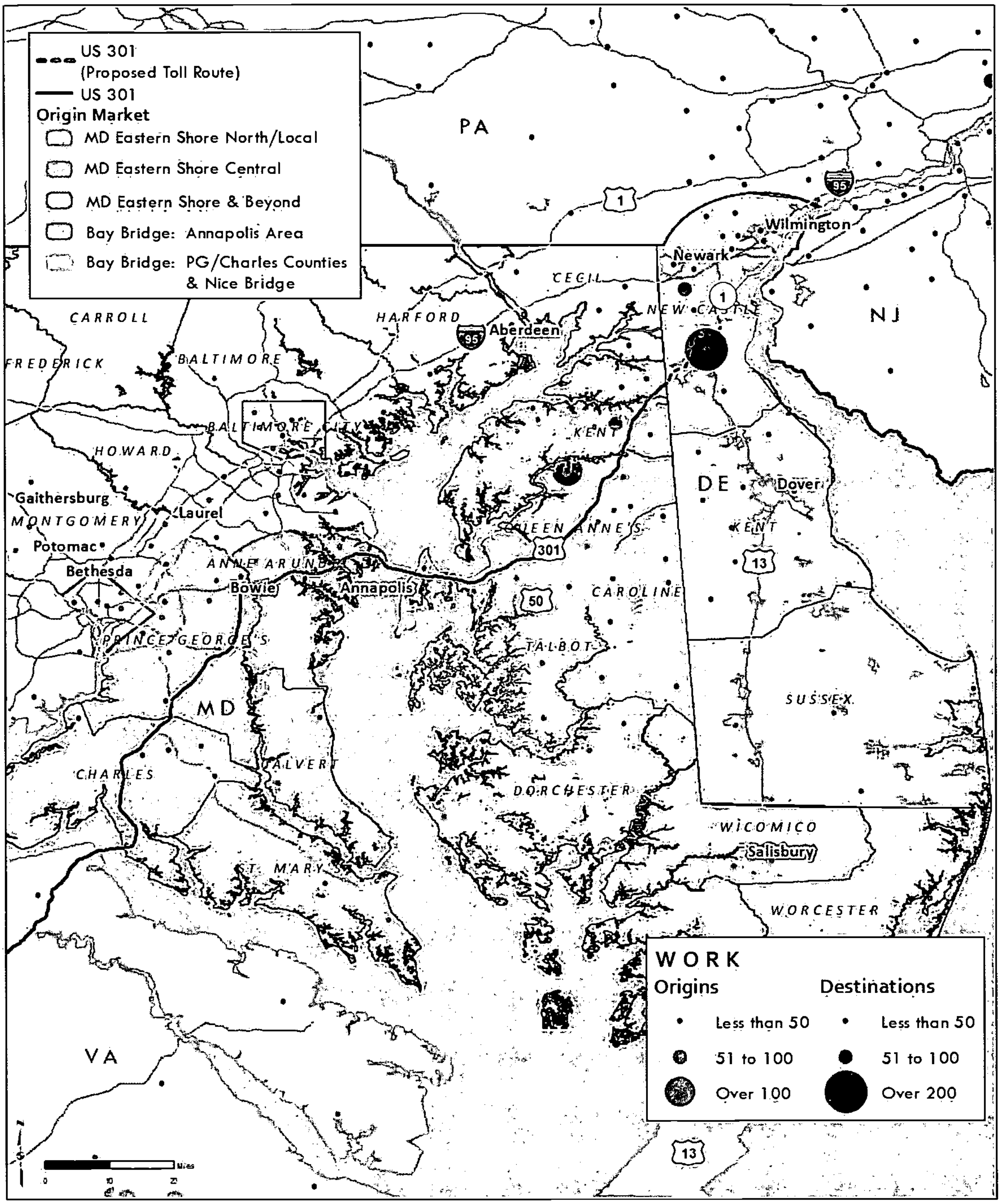


Figure 24 presents a geographical distribution of the O/D responses for surveys indicated "work" as their trip purpose in 2011. The largest concentration of destinations is shown in Middletown, while large concentrations of origins were found in several locations in Kent County and Queen Anne's County in Maryland.

Figure 24: Origins and Destinations of Work Trips, 2011



2.3.2 The Relationship of Customers, Trips and Frequency of Travel

To fully benefit from a discussion of travel characteristics for traffic on the project region, one must understand the relationship between customers of a toll facility, trips they make on that facility, and their *frequency of travel*. Travel surveys are generally conducted on toll facilities to determine the frequency of travel. During these, the customers sampled are assumed to be representative of the entire driving population of that facility. One of the questions typically asked in a survey is "how often do you use the toll facility?" (e.g., once per day, once per week, twice per month, once per month, twice per year). The number of survey respondents in each of the frequency categories is then used to calculate the distribution of trips made on the facility.

To determine the annual number of customers who would make those trips, one needs to expand the number of trips or people surveyed by considering the number of customers per trip for each frequency of travel category. For example, there are two drivers on the road: one driver makes a trip once a day and therefore represents only *one* individual customer for that particular type of trip in a given year, whereas the other driver, making the trip only once a year, represents *365* individual customers for that trip in a given year, assuming that all average days see a similar distribution of frequent vs. infrequent travelers. One driver (the driver who makes this trip once a day) accounts for fully 50 percent of all trips on this example facility. It is far more important to understand that single driver than any one of the other 365 people that use this facility when forecasting traffic (and resulting toll revenues).

Taking that example to the next logical step, roadways can be generally divided into three basic types: commuter, through-trips, and a combination of commuter and through-trips.

- A **commuter** facility would be characterized by many individual drivers making frequent trips back and forth to work with morning and evening peaks of traffic. Like the two- trip example discussed previously, a relatively small number of individual customers would account for many of the annual trips on that facility. A bridge or tunnel to Manhattan would be a good example of a commuter facility. Generally, commuter facilities have high percentages of electronic transponder usage.

- Conversely, a **through** facility would be characterized by drivers making long-distance trips with relatively few commuters and no significant periods of peak traffic during the day. Most trips would be by drivers using the facility once per month or less on an annual basis. The West Virginia Turnpike is a good example of a through facility. Again, conversely to the commuter facility, the through facility generally has a very low percentage of transponder usage.

- The third type of facility is a **combination of commuter and through-trips.** One of the best examples is the George Washington Bridge (GWB) in New York. As a bridge to Manhattan, there is a peak period typical of commuter facilities. However, it is also I-95, the major through route in the Northeast Corridor, giving the GWB a large though-trip component. This type of facility usually has higher shares of transponder usage than on a through-trip facility, and high daily volumes of traffic.

All three types of facilities share similar relationships between trips and customers. Generally, the largest share of trips occurs in the highest frequency of travel category, with the lowest share of trips in the lowest frequency of travel categories. Conversely, when one discusses actual customers, the highest share of customers is in the infrequent-trip category, and the lowest share of actual customers is in the most-frequent category. This is best explained by the fact the frequent customers account for many more of the annual total trips on a roadway, as they may make 200 to 500 or even more trips on an annual basis.

Through extensive data collection on numerous facilities we have found that one (1) or more trips per week would characterize a frequent user. A mid-range user would be between one (1) per week and one (1) per month. Infrequent users travel less than once per month.

The travel survey conducted at the state line resulted in an average trip frequency of 1.92 trips per week. That is a comparatively high number and supports the contention that there are a large number of frequent "local" trips in the corridor, though they me be longer in length. In contrast, one of the competing parallel routes, I-95 in Maryland, has an average frequency of 0.81 trips per week. The Bay Bridge at the southern end of the 301 corridor averages 1.61 trips per week. The compilation of data indicates that the typical user of the facility is more local in nature and within the high frequency range of travel making them more knowledgeable of local alternate routes and less willing to pay for each trip traveled.

In summary, our interpretation of the survey data shows that US 301 serves two distinct purposes in this corridor – functioning more like the "combination" type of facility described previously in the third bullet point. For long distance travelers, including long-haul trucks, US 301 provides a reasonable alternative to I-95 for travel between Wilmington, DE and Washington, DC. On the other hand, for residents of the region (including nearby counties in Maryland), US 301 serves as a sort of "main street", providing the most convenient access to and from the rural regions to the more developed Middletown area – access to offices, shopping, and other appointments and errands.

3 Economics, Demographics and Their Effects on Travel

1.1. Introduction

Traffic levels on a given highway facility, historically, have been influenced by demographic and socioeconomic trends observed in the area near the facility. Changes in population and employment, passenger and commercial vehicle ownership, and economic growth and industrial production all influence traffic volumes. In creating its traffic and revenue projections, Jacobs utilizes as a model input a consensus forecast of the growth in real gross domestic product (GDP) developed by an array of different economic forecasters from universities, investment banks, rating agencies, consultancies, and other private institutions.

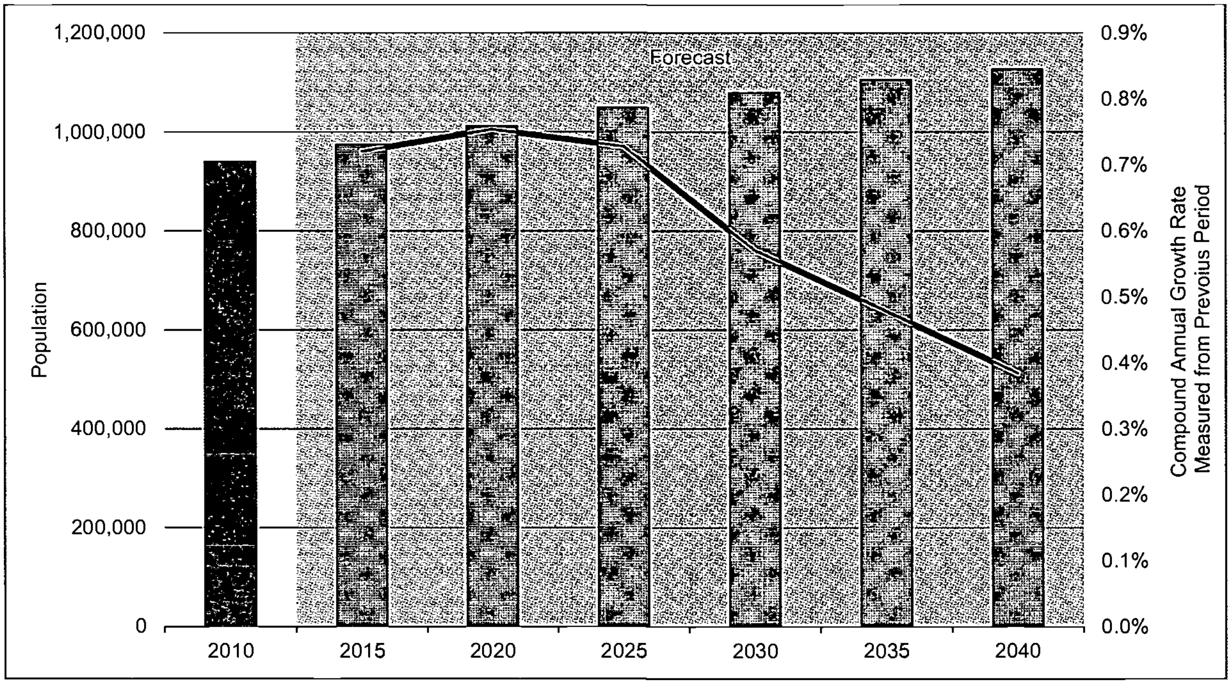
Real GDP in the United States is forecast to increase by 3.1 percent in 2015 and 2.9 percent in 2016. The Industrial Production Index (IPI), a broad measure of industrial activity in the United States, is forecast to increase by 3.8 percent in 2015 and 3.2 percent in 2016. Prices for retail gasoline, which also influence vehicular travel, are expected to rise modestly in the second half of 2015 and the first half of 2016 before falling again at the end of 2016. A more detailed discussion of national economic trends appears in Appendix A.

The remainder of this section of the report summarizes trends with respect to population, employment, economic output, income, trade, and tourism for the two counties in Delaware – New Castle County and Kent County – and the five counties in Maryland – Caroline County, Cecil County, Kent County, Queen Anne's County, and Talbot County – that are closest to the study area. Note gray shaded areas that appear in the figures below signify recessionary periods in the United States.

1.2. Population

Total population in the study area, which includes New Castle County and Kent County in Delaware and the counties of the Upper Eastern Shore in Maryland, reached approximately 942,000 in 2010. As shown in Figure 25, the population of the study area is expected to grow into the future, reaching 1.1 million in 2040.

Figure 25: Study Area Historical and Forecast Population

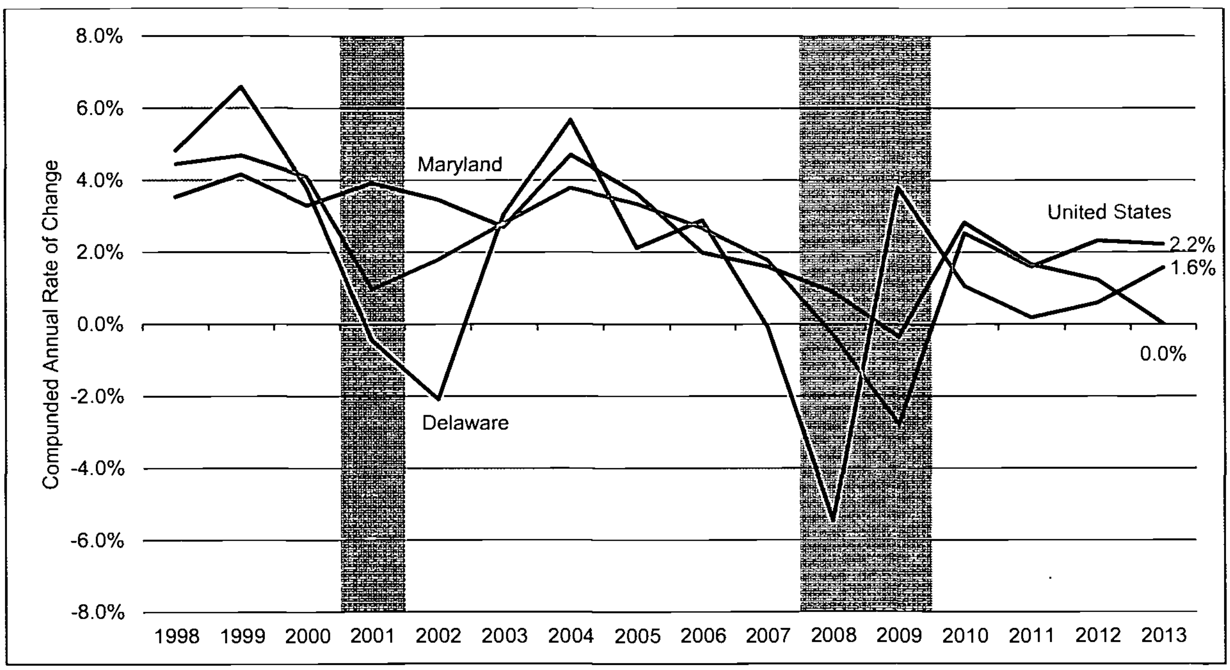


Source: Maryland Department of Planning and Delaware Office of State Planning Coordination

1.3. Output and Growth

The Delaware and Maryland economies are relatively small, contributing approximately 1 percent and 2 percent to the real GDP of the United States, respectively. The performance of the Maryland economy, as measured by change in real GDP, tends to mirror the performance of the national economy. Delaware's economic performance, however, tends to be more volatile. As shown in Figure 26, the annual rate of change experienced by Delaware's economy exceeded 6.0 percent in the late 1990s but also descended to -5.5 percent during the most recent recession. The annual rate of change in Maryland's economy, meanwhile, hovered between 4.7 percent and -0.3 percent over the same time period. Both economies, along with the economy of the United States, have returned to growth after contracting during the 2007-2009 recession.

Figure 26: Real Gross Domestic Product



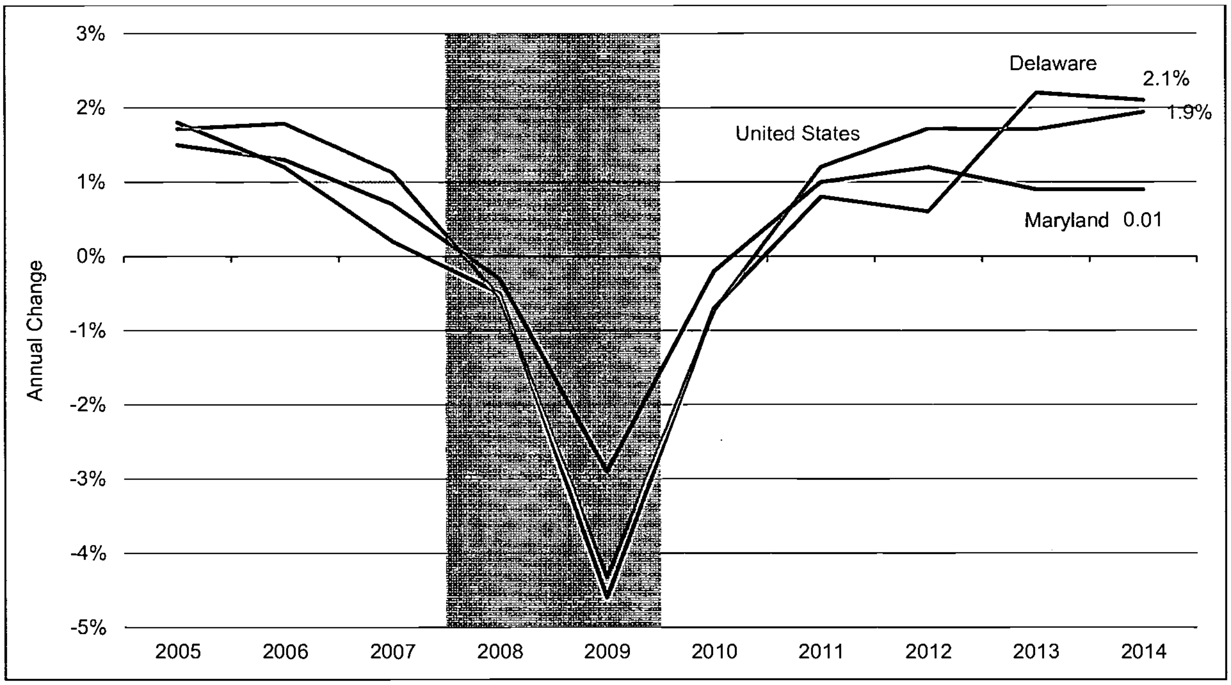
Source: Bureau of Labor Statistics

1.4. Employment

Total employment in Delaware and Maryland has trended in accordance with total employment levels in the United States. During the recent recession, total employment in Delaware decreased by 0.5 percent in 2008 and 4.6 percent in 2009. Employment levels in Maryland contracted by 0.3 percent and 2.9 percent during this period.

Job growth returned to Delaware, Maryland, and the broader United States in 2011 and the three jurisdictions have continued to create jobs through 2014, the last year for which data are available. See Figure 27.

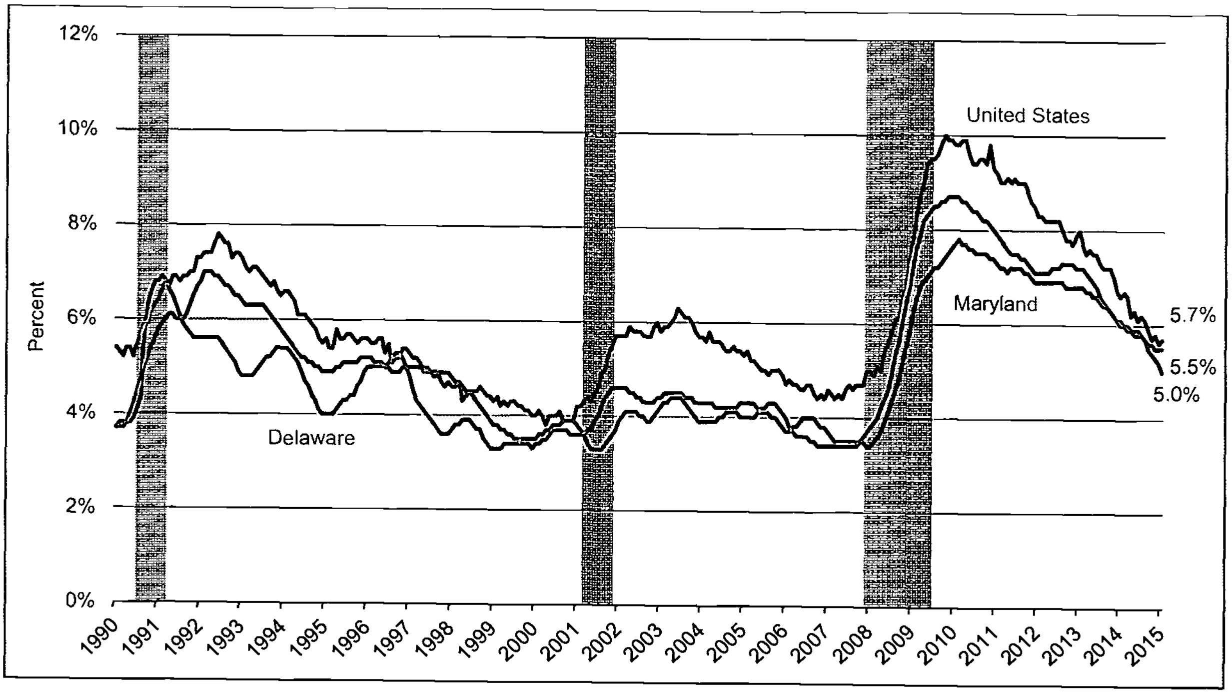
Figure 27: Nonfarm Employment



Source: Bureau of Labor Statistics

For the most part, unemployment levels in Maryland and Delaware have been below that of the United States since 1990. During the deepest part of the recent recession in 2009, the unemployment rate in Delaware and Maryland was 8.7 percent and 7.8 percent, respectively. In the Unites States, the unemployment rate reached 10.0 percent during 2009. As the national economy has improved, however, unemployment rates across the country have been reduced. Figure 28 summarizes the unemployment rates in Delaware, Maryland, and the United States since 1990.

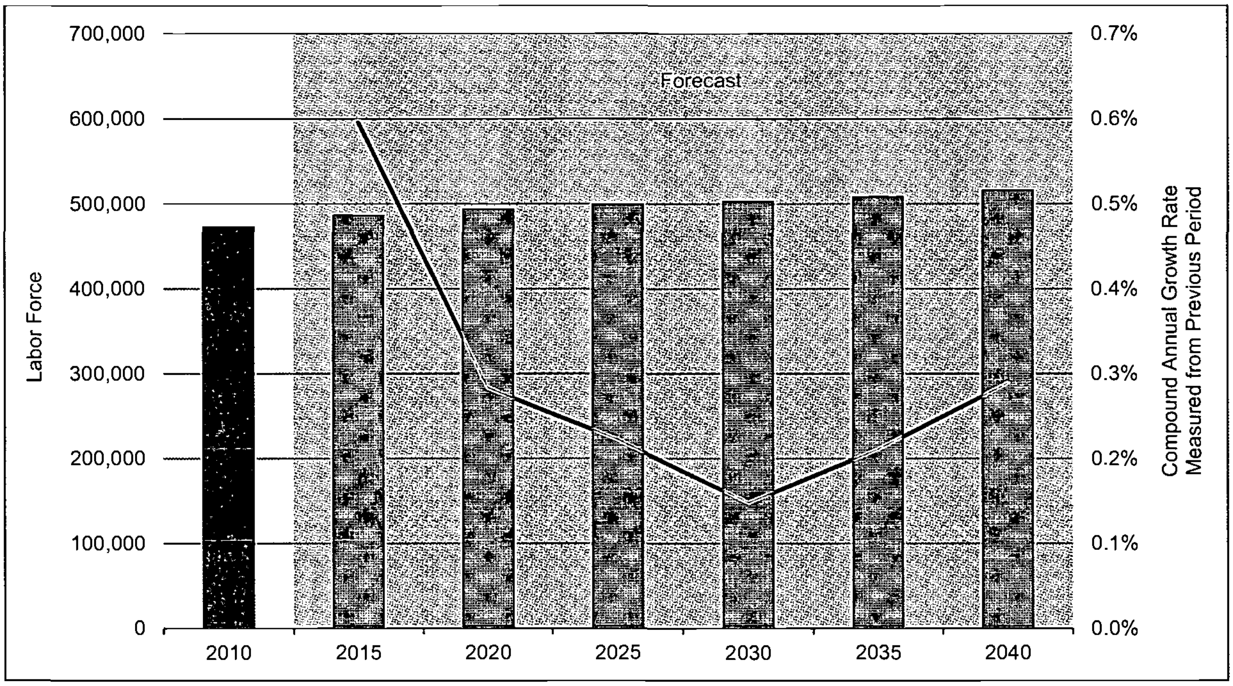
Figure 28: Unemployment



Source: Bureau of Labor Statistics

Total employment in the 7 county project area reached approximately 473,000 in 2010 and is projected to grow for the foreseeable future, increasing to approximately 517,000 in 2040. Caroline County, Cecil County, and Queen Anne's County in Maryland are expected to grow at the fastest rates during this time period. The counties in Delaware are expected to see more modest growth in employment.

Figure 29: Study Area Historical and Forecast Labor Force

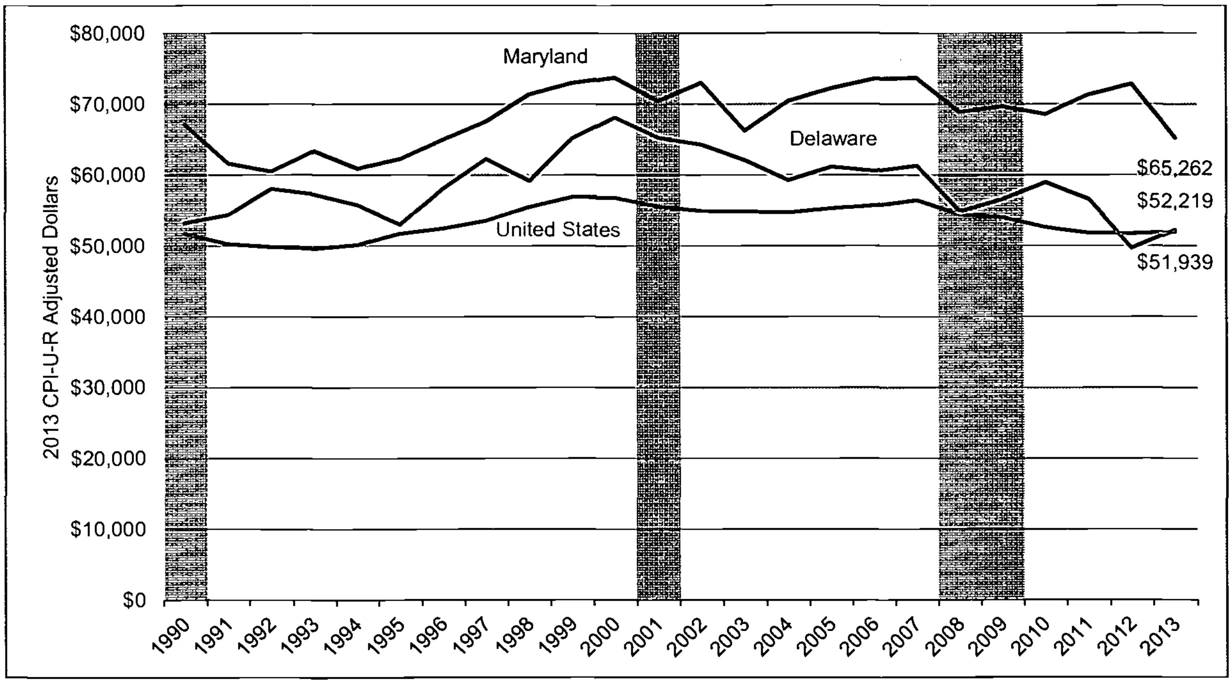


Source: Maryland Department of Planning and Delaware Office of State Planning Coordination

1.5. Income

Income levels in Delaware and Maryland, which have historically been just above the national average, started to decrease in real terms beginning in 2000. Based on data from the U.S. Census Bureau, real median household income in Delaware was $53,222 in 1990, increasing to $68,129 in 2000, and then declining to $52,219 in 2013. In Maryland, real median household increased from $67,136 in 1990 to $73,770, before declining to $65,262 in 2013. Nationally, median household income was $51,735 in 1990. Median household increased to $56,000 in 2000 before returning approximately to 1990 levels as of 2011. Figure 30 summarizes the change in real median household income in Delaware, Maryland, and the United States from 1990 to 2013.

Figure 30: Real Household Income



Source: U.S. Census Bureau

3.1.1 Economic Forecast

Economic output in Delaware and Maryland are both strongly linked to national macroeconomic conditions. Economic forecasts prepared in early 2014 assume that the current economic recovery will continue resulting in steady economic growth in Delaware and Maryland in 2015. The importance of the government sector in Maryland and financial services sector in Delaware are expected to support general economic growth in the region. The construction and professional service sectors are also expected to expand in the coming years. The Richmond Federal Reserve Bank (which covers Maryland) and the Philadelphia Federal Reserve Bank (Delaware) have both noted improving business conditions in their respective surveys. Table 8 summarizes economic and employment forecasts prepared by J.P. Morgan Chase for Delaware and Maryland for 2015.

Table 8: Forecast Change in Real GDP and Employment, 2015

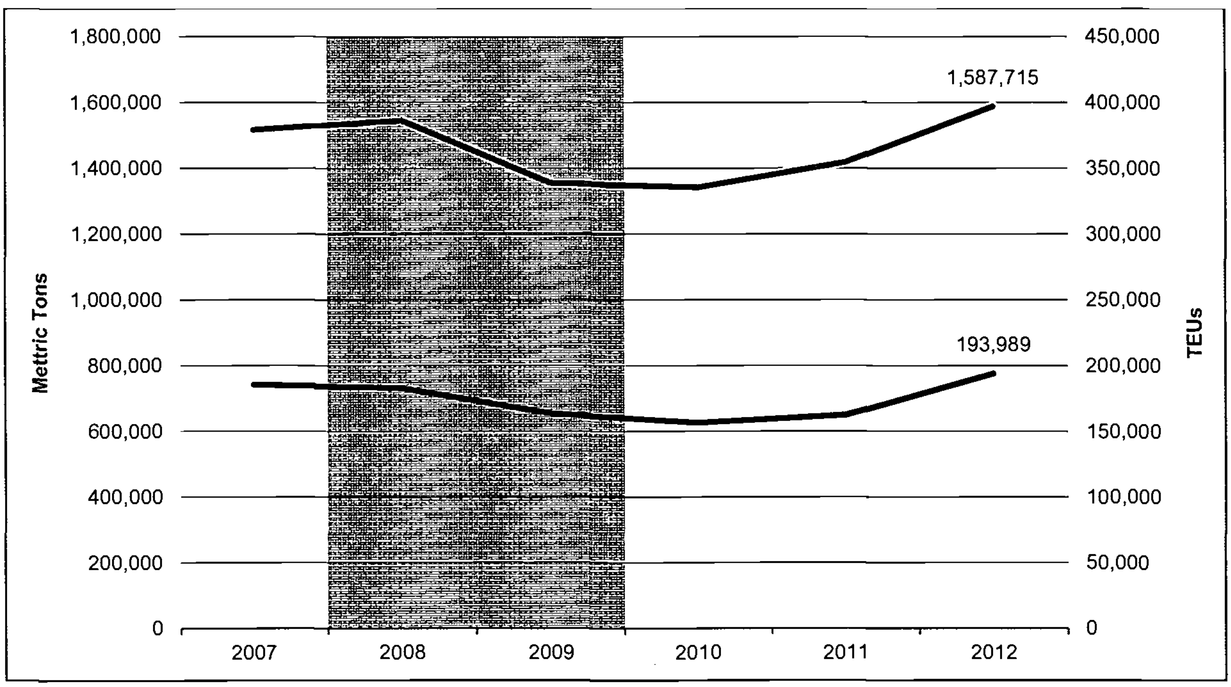
	Change in Real GDP (%)	***Change in Total Employment (%)***
Delaware	*3.7%*	*1.3%*
Maryland	*3.5%*	*1.1%*

Source: JP Morgan Chase, Regional Perspectives: State of the States, 2014,

1.6. Intermodal Linkages and Distribution Centers

The Port of Wilmington is ranked as the 18th largest port in the U.S. (and Puerto Rico) in terms of twenty-foot equivalent units (TEU) and the 19th largest port with respect to metrics tons. A TEU is a unit of measure used to describe the capacity of ports and container ships. The Port's facilities include seven deepwater general cargo berths, a tanker berth, and a floating berth. The Port of Wilmington is located within relatively close proximity to I-95, I-295, and I-495. Norfolk Southern and CSX provide rail access to the port. Cargo items that are moved through the port include automobiles, steel, fruit and forest products, petroleum and related products, and dry bulk materials. As a result of the 2007-2009 recession, the amount of cargo handled by the Port decreased significantly and has only recovered in the last couple years. The Port of Wilmington handled 1.5 metric tons in 2007. The amount of cargo handled decreased by 10 percent to 1.4 million metric tons in 2009, before recovering to reach 1.6 million metric tons in 2012. Similarly, the port handled 183,000 TEUs in 2007, which decreased to 156,000 in 2010. The number of containers handled by the Port of Wilmington increased slightly in 2011 to 162,000 TEUs and again to 194,000 TEUs in 2012. Figure 31 summarizes the amount of metric tons and TEUs handled by the Port of Wilmington from 2007 to 2012.

Figure 31: Waterborne Commerce



Source: U.S. Maritime Administration

1.7. Commuting Trends

The average travel time to work for the seven counties in the study area ranged from 25.2 minutes in Talbot County, MD to 34.2 minutes in Caroline County, MD. With the exception of Talbot County, the mean travel times to work in the Maryland counties exceeded the mean travel time to work in the United States overall. Conversely, mean travel times to work in the Delaware counties are less than the mean travel time to work in the United States overall. Table 9 displays all travel times to work as well as the means of transportation to work across the counties in the study area.

Table 9: Commuting Patterns

Jurisdiction	Drove Alone	Carpooled	Public Transportation	Mean Travel Time to Work
United States	140,770,488	107,484,487	13,520,495	25.7 min
New Castle County DE	206,260	22,649	11,580	25.4 min
Kent County, DE	6,2088	7,018	851	26.6 min
Caroline County, MD	11,525	1,024	238	34.2 min
Cecil County, MD	39,898	4,169	441	29.7 min
Kent County, MD	6,369	753	165	26.2 min
Queen Anne's County MD	19,017	2,524	330	34.1 min
Talbot County, MD	13,794	1,669	68	25.2 min

Source: U.S. Census Bureau

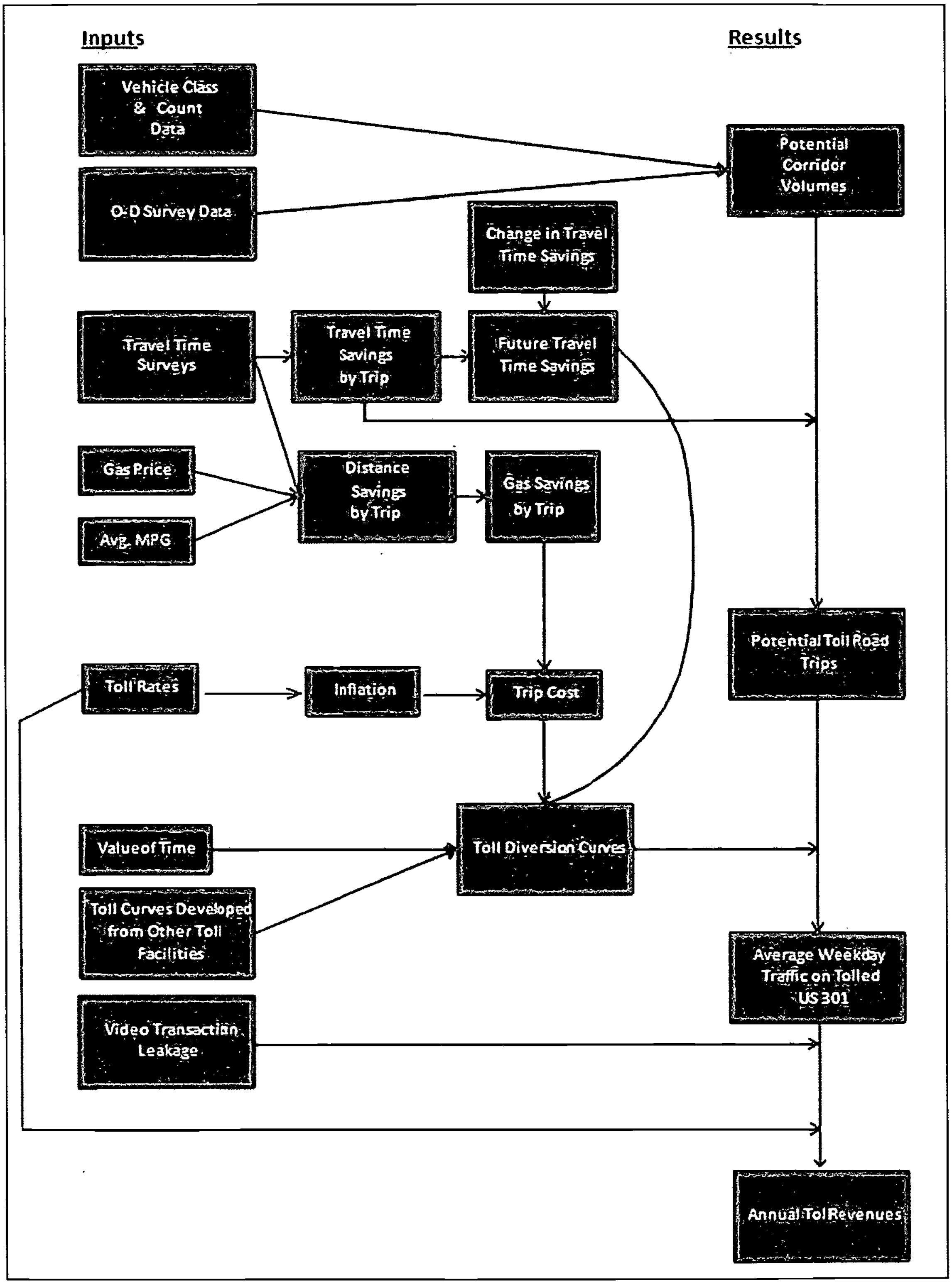
4 Traffic Model

Jacobs developed a spreadsheet-based traffic model to develop traffic and revenue forecasts. This model incorporates actual traffic count and vehicle mix data, survey results, economic and demographic data and forecasts, value of time, fuel price, and efficiency to estimate the number of transactions and revenue generated by the future US 301 toll road.

4.1 Modeling Methodology

Figure 47 presents a flowchart of Jacobs' modeling methodology. Collected data, such as vehicle classification and count data, survey data, and toll rates are used to determine the conditions on the future roadway network, such as estimated time savings and cost of travel. These conditions are then used to determine the percentage of potential traffic that would choose to pay the proposed toll rates for travel on the toll road, through the use of toll traffic retention curves developed specifically for this project based on previous experience, survey results, and socio economic factors. The estimated toll road traffic is then used to calculate gross toll revenue, with adjustments for revenue loss due to violations or video toll leakage.

Figure 32: Modeling Methodology Flowchart



4.2 Model Assumptions

In an effort to best estimate potential toll traffic and revenue on the project, it was necessary to develop a number of assumptions regarding the economy and regional infrastructure, amongst other factors.

4.2.1.1 Traffic Restrictions

Jacobs assumed that current and future restrictions on truck traffic on alternate roadways will be enforced, as shown on the map provided in Appendix B.

It was also assumed that emergency access ramps will be properly gated and not open to casual traffic.

4.2.1.2 Inflation

An annual inflation rate of 2.5 percent was assumed. This was used to convert future year toll rates into 2015 dollars for our analyses.

4.2.1.3 Driving Value of Time

Driving value of time is typically about 50 to 60 percent of median household income. The Federal Reserve reported Median Household Income for Delaware of around $52,000 in 2013, which calculates to $25 per hour for a 40-hour work week. Fifty percent of this value is $12.50, while sixty percent is $15.00. A $14.00 driving value of time, which falls within this range, was assumed. This means that the average person living in Delaware would pay $14.00 to save an hour of driving time.

4.2.1.4 Background Growth

Jacobs developed estimates of future background growth based on a review of past traffic growth trends and available socioeconomic data, including employment, population, GDP, and others, as described previously in Chapter 3. We also considered growth related to the major feeders routes to long distance travel including the Bay Bridge in Maryland.

4.2.1.5 Toll Schedule

Jacobs was instructed to use the same toll rate assumptions as previous studies utilized, beginning with a 2-axle toll at the mainline toll location of $4.00 in the opening year (originally 2016), and doubling within 20 years, with increases occurring every five years. This results in an average annual increase of 3.5 percent. Tolls would then continue to increase at this rate for the following 20 year period. When the traffic and revenue projections were updated in the spring of 2015, the toll schedule was held constant despite a change in opening date from July 2017 to January 2019.

Under AET operations, a surcharge would be added to the base toll rate for all video transactions, in an effort to balance out the cost of collection. This surcharge would be 40 percent for cars, and 20 percent for trucks. The toll increases would always take place on January 1st. Table 10 presents base toll rates at each of the toll locations. Table 11 shows sample toll rates by location and year. In general, toll increases at the mainline plaza would increase one to two dollars every five years for passenger cars, ultimately reaching $15.80 per vehicle in 2056.

Table 10: Base Toll Rates, 2019

Axles	2	3	4	5	6
Mainline	$4.00	$9.00	$10.00	$11.00	$12.00
Levels Rd	$1.00	$8.00	$9.00	$10.00	$11.00
Summit Br	$0.75	$8.00	$9.00	$10.00	$11.00
Jamison Cnr	$0.50	$8.00	$9.00	$10.00	$11.00

Table 11: Base Toll Rates by Project Year, 2019-2056

	Mainline		Levels Rd		Summit Br		Jamison Cnr	
Year	**2-axle**	**5-axle**	**2-axle**	**5-axle**	**2-axle**	**5-axle**	**2-axle**	**5-axle**
2019	$4.00	$11.00	$1.00	$10.00	$0.75	$10.00	$0.50	$10.00
2021	$4.75	$13.05	$1.20	$11.90	$0.90	$11.90	$0.60	$11.90
2026	$5.65	$15.50	$1.45	$14.15	$1.05	$14.15	$0.70	$14.15
2031	$6.70	$18.40	$1.70	$16.80	$1.25	$16.80	$0.85	$16.80
2036	$7.95	$21.85	$2.00	$19.95	$1.50	$19.95	$1.00	$19.95
2041	$9.45	$25.95	$2.40	$23.70	$1.80	$23.70	$1.20	$23.70
2046	$11.20	$30.80	$2.85	$28.15	$2.15	$28.15	$1.45	$28.15
2051	$13.30	$36.60	$3.40	$33.45	$2.55	$33.45	$1.70	$33.45
2056	$15.80	$43.45	$4.05	$39.75	$3.05	$39.75	$2.00	$39.75

Note: Tolls increasing at a rate of 3.5% annually, effective every 5 years

4.2.1.1 Retention

While the project may present the quickest route from point A to point B for many trips in the Middletown region, some users will choose a longer or less convenient route to avoid paying the toll. The implementation and continuation of truck restrictions on neighboring routes will help to inhibit the diversion of truck traffic to free routes in the local vicinity, but cars will be free to choose amongst the many local non-tolled routes.

Several routes compete with US 301 for longer distance traffic, including I-95, SR 1, and Route 213. Each of these roadways is unique in its benefits and shortfalls, but all are available to both cars and trucks. Some of the more local roadways providing access to these main routes have some existing weight restrictions, such as Route 299. With the completion of the project, weight restrictions will be put in place on several additional portions of roadway in and around Middletown. A map of current and proposed truck restrictions is provided in Appendix B. Figure 33 and Figure 34 present a selection of alternate route choices available to cars and trucks traveling in the US 301 corridor.

Figure 33: Selection of Alternate Route Choices for Cars

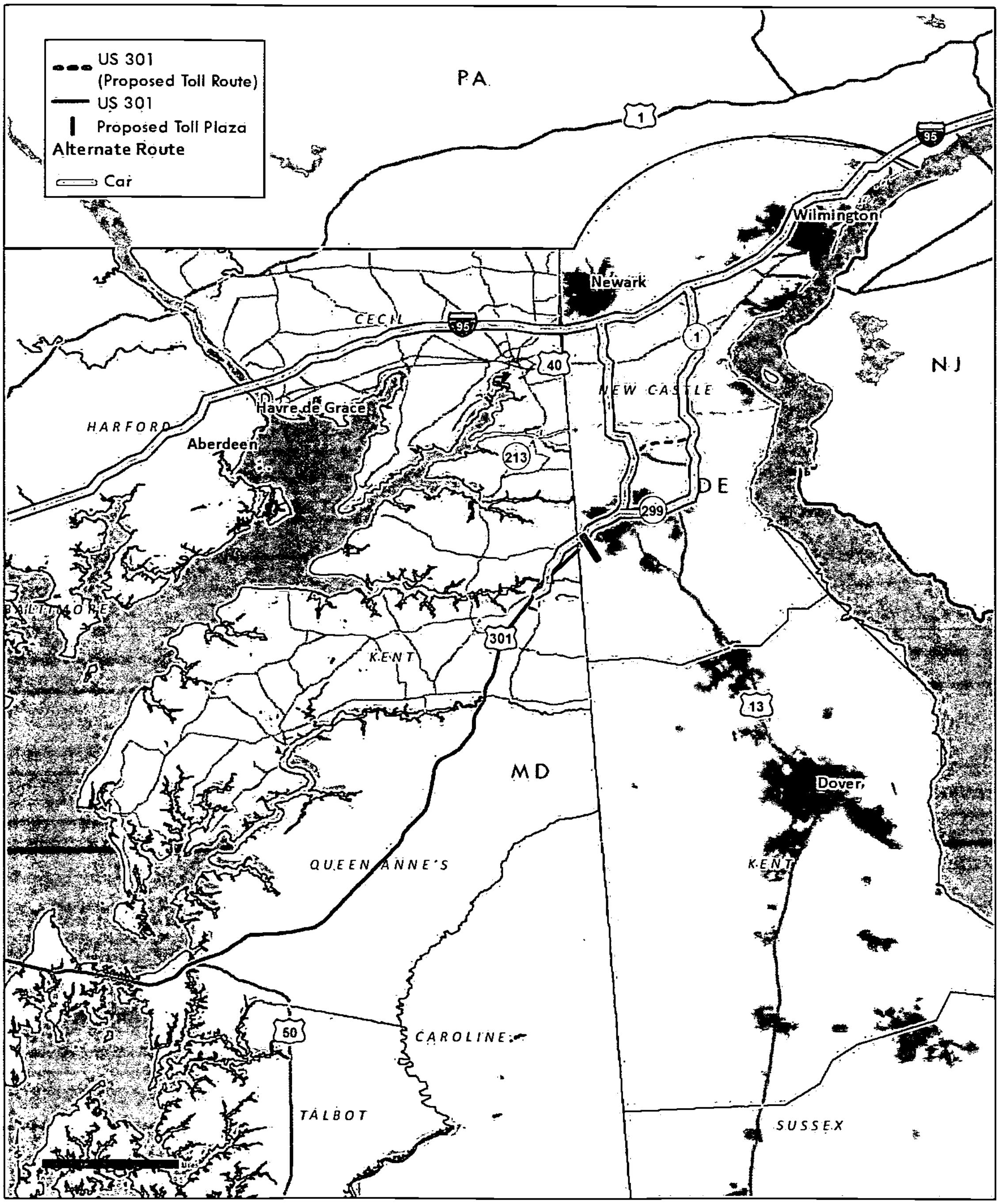


Figure 34: Selection of Alternate Route Choices for Trucks

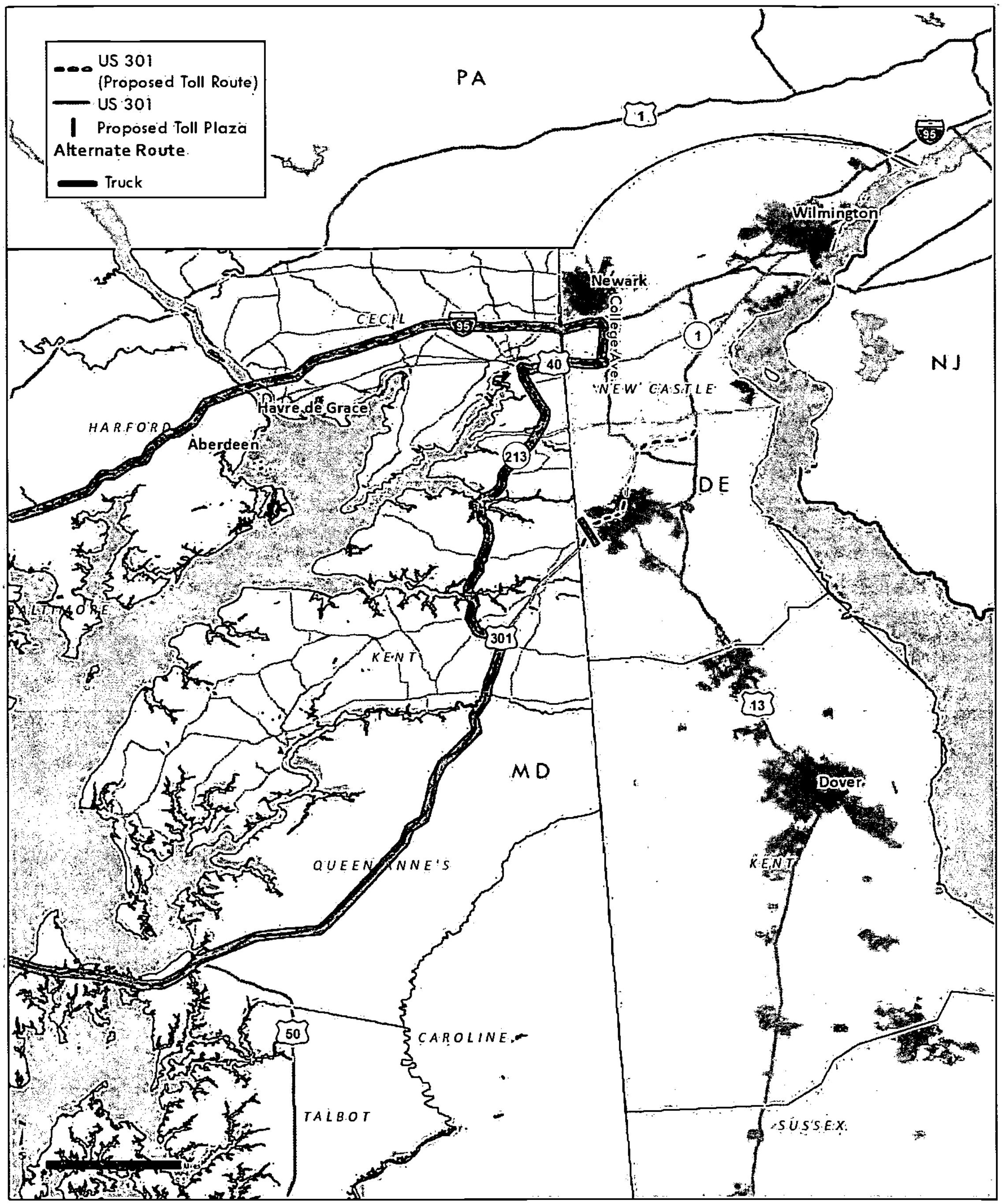


Table 12 presents a comparison of tolls for 2-axle cars and 5-axle trucks at various toll plazas on competing routes for through travel, as well as toll costs for those competing routes. As shown in the table, travel on the new toll road will continue to be significantly less expensive in tolls than I-95 in both directions of travel.

Table 12: Toll Comparison for Travel between Wilmington, DE and Washington, DC

Location / Route	Northbound / Eastbound				Southbound / Westbound			
	2-Axle		5-Axle		2-Axle		5-Axle	
	Cash	E-ZPass	Cash	E-ZPass	Cash	E-ZPass	Cash	E-ZPass
Toll Plaza								
Newark Toll Plaza	$4.00	$4.00	$9.00	$9.00	$4.00	$4.00	$9.00	$9.00
Baltimore Harbor Tunnel	$4.00	$3.60	$24.00	$24.00	$4.00	$3.60	$24.00	$24.00
JFK Memorial Highway	$8.00	$7.20	$48.00	$48.00	-	-	-	-
Biddles Toll Plaza	$1.00	$1.00	$5.00	$3.75	$1.00	$1.00	$5.00	$3.75
Biddles Exit 142 Plaza	$1.00	$0.50	$5.00	$1.88	$1.00	$0.50	$5.00	$1.88
SR 1 Exit 136 Ramp Plaza	$0.50	$0.50	-	-	$0.25	$0.25	-	-
Bay Bridge	$6.00	$5.40	$36.00	$36.00	-	-	-	-
Proposed US 301 Mainline*	*$4.00*	*$4.00*	*$11.00*	*$11.00*	*$4.00*	*$4.00*	*$11.00*	*$11.00*
Route								
Via I-95	$16.00	$14.80	$81.00	$81.00	$8.00	$7.60	$33.00	$33.00
Via Existing US 301	$6.00	$5.40	$36.00	$36.00	-	-	-	-
Via Proposed US 301	*$10.00*	*$9.40*	*$47.00*	*$47.00*	*$4.00*	*$4.00*	*$11.00*	*$11.00*
Via Bay Bridge / US 301 / SR 896 / SR 1	$7.00	$5.90	$41.00	$37.88	$1.00	$0.50	$5.00	$1.88
Via Bay Bridge / MD 213 / I-40	$6.00	$5.40	$36.00	$36.00	-	-	-	-

* Cash Tolls shown do not include a surcharge for Video Toll Collection

Jacobs analyzed data in the I-95 corridor and at the Bay Bridge during past toll increases at the Bay Bridge, to see if there was any clear shift in traffic potentially caused by a toll increase. Our investigation found that while the potential for a shift exists, there has not been a clear shift demonstrated by previous toll changes.

Jacobs developed retention curves tailored to the various vehicle and trip types. These curves consider the travel time savings offered by the new toll facility for a given type of traveler (eg, local cars, long distance trucks), for the different vehicle types, values of time, and toll rates. These curves are utilized in the analysis for each toll plaza, where they help determine how many of the potential drivers for the new toll road are "willing to pay" for travel on the roadway.

5 Estimates of Toll Traffic and Gross Toll Revenues

This chapter presents estimated toll road traffic and gross toll revenues for a forty-year period, as well as the assumptions behind those estimates.

5.1 Limits and Disclaimers

It is Jacobs' opinion that the traffic and toll revenue estimates provided herein represent reasonable and achievable levels of traffic and toll revenues that can be expected to accrue at the project over the forecast period and that they have been prepared in accordance with accepted industry-wide practice. However, as should be expected with any forecast, and given the uncertainties within the current economic climate, it is important to note the following assumptions which, in our opinion, are reasonable:

- This report presents the results of Jacobs' consideration of the information available as of the date hereof and the application of our experience and professional judgment to that information. It is not a guarantee of any future events or trends.
- The traffic and gross toll revenue estimates will be subject to future economic and social conditions, demographic developments and regional transportation construction activities that cannot be predicted with certainty.
- The estimates contained in this report, while presented with numeric specificity, are based on a number of estimates and assumptions which, though considered reasonable to us, are inherently subject to economic and competitive uncertainties and contingencies, most of which are beyond the control of any tolling authority and cannot be predicted with certainty. In many instances, a broad range of alternative assumptions could be considered reasonable. Changes in the assumptions used could result in material differences in estimated outcomes.
- Jacobs' traffic and gross toll revenue estimations only represent our best judgment and we do not warrant or represent that the actual gross toll revenues will not vary from our estimates.
- We do not express any opinion on the following items: socioeconomic and demographic forecasts, proposed land use development projects and potential improvements to the regional transportation network.
- The standards of operation and maintenance on all of the system will be maintained as planned within the business rules and practices.
- The general configuration and location of the system and its interchanges will remain as discussed in this report.
- Access to and from the system will remain as discussed in this report.
- No other competing highway projects, tolled or non-tolled are assumed to be constructed or significantly improved in the project corridor during the project period, except those identified within this report.
- Major highway improvements that are currently underway or fully funded will be completed as planned.

- The system will be well maintained, efficiently operated, and effectively signed to encourage maximum usage.
- No reduced growth initiatives or related controls that would significantly inhibit normal development patterns will be introduced during the estimate period.
- There will be no future serious protracted recession during the estimate period.
- There will be no protracted fuel shortage during the estimate period.
- No local, regional, or national emergency will arise that will abnormally restrict the use of motor vehicles.

In Jacobs' opinion, the assumptions underlying the study provide a reasonable basis for the analysis. However, any financial projection is subject to uncertainties. Inevitably, some assumptions used to develop the projections will not be realized, and unanticipated events and circumstances may occur. There are likely to be differences between the projections and actual results, and those differences may be material. Because of these uncertainties, Jacobs makes no guaranty or warranty with respect to the projections in this Study.

This document, and the opinions, analysis, evaluations, or recommendations contained herein are for the sole use and benefit of the contracting parties. There are no intended third party beneficiaries, and Jacobs Engineering Group Inc., (and its affiliates) shall have no liability whatsoever to any third parties for any defect, deficiency, error, omission in any statement contained in or in any way related to this document or the services provided.

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5.2 Opening Date and Ramp Up

The Project is expected to open fully with tolls in Fiscal Year (FY) 2019, on January 1, 2019. The fiscal years run from July 1st through June30th.

Opening year traffic levels, and levels in the first few years after opening, are influenced by many factors, including current trip making characteristics, as well as those changes that will occur because of the presence of the new toll facility. The process of traffic reaching its full potential over a given time, without considering nominal growth, is considered "ramp-up."

Ramp-up is often defined as the time it takes for the drivers to become aware of a new (toll) facility, change old habits and become aware of any potential benefits from using the new (toll) facility. Often, signage and mapping indicating the presence of the new facility are delayed and do not occur at the time of a facility's opening. This is particularly important when a facility will serve travelers coming from areas outside the project corridor.

Based on our experience from other toll roads, typical ramp-up periods vary by facility depending on projected growth, development, traffic characteristics and other local considerations. Typically, the ramp-up period is two (2) to five (5) years; several new toll facilities have reached equilibrium by year five (month 60), while other facilities, however, which were already part of an existing roadway network, reached equilibrium much faster: some within two (2) years.

As such, the ramp-up period that we determined for this project is two years in length, as this is functionally a bypass of an existing roadway in a setting with a large commuter base (cars). We dampened the traffic and revenues over the opening 12 months by 15 percent, and the second year by five percent. We assumed the toll road traffic would ramp up to its full demand by the third year of operation, beginning mid-fiscal year 2021 and first visible in traffic and revenue projections as reported for FY 2022. Due to the mid-fiscal year opening, three fiscal years are affected by the ramp-up period.

5.3 Estimates of Traffic and Gross Toll Revenues

Jacobs prepared estimates of toll traffic and revenue for both ORT and AET Collection. Figure 35 and Figure 36 show the projected total average daily toll transactions (including the mainline and the three tolled ramps) and gross annual toll revenues for forty years, beginning in FY 2019. Table 13 and Table 14 present the same information in tabular form.

For the AET case toll revenues reach $22.7 Million in 2022, the first year after ramp-up and increase to $83.4 Million by 2060, nearly 40 years after ramp-up is completed. Total toll transactions quickly grow to 15,900 vehicles per day with the losses attributable to toll increases roughly offsetting the background traffic increases and peaking at 17,400 daily toll transactions in 2060.

Similarly, for the ORT case toll revenues reach $23.7 Million in 2022, the first year after ramp-up and increase to $87.1 Million in 2060. Total toll transactions quickly grow to 16,000 vehicles per day with the losses attributable to toll increases roughly offsetting the background traffic increases and peaking at 17,600 daily toll transactions in 2060.

Figure 35: Estimated Average Daily Toll Transactions and Gross Annual Toll Revenues, AET

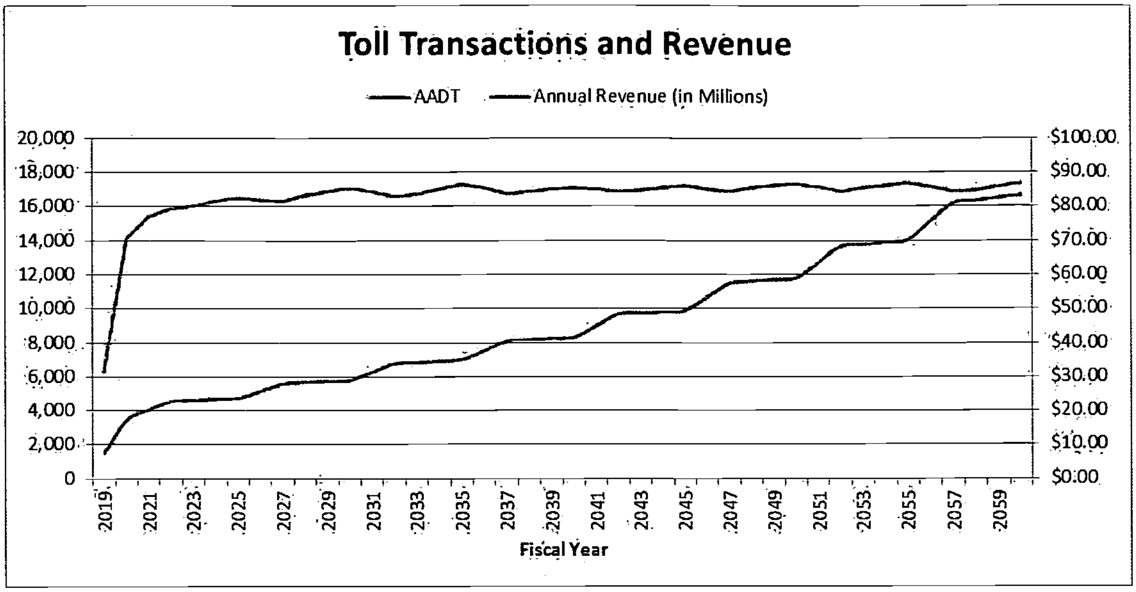


Figure 36: Estimated Average Daily Toll Transactions and Gross Annual Toll Revenues, ORT

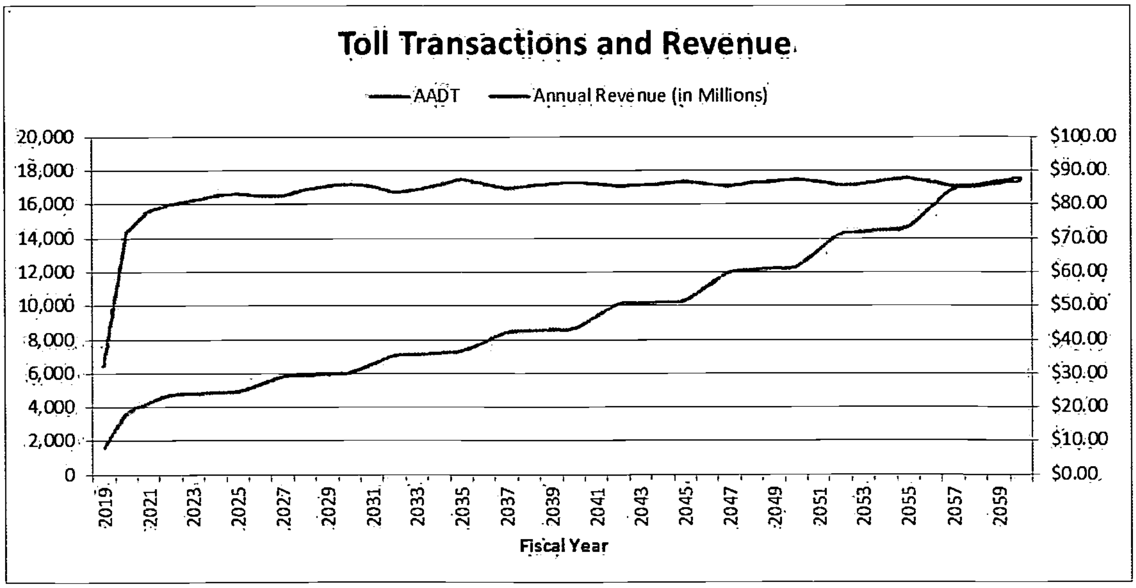


Table 13: Toll Traffic and Revenue Estimates, AET

Fiscal Year	AET					
	Daily Toll Transactions			Annual Revenue (Millions)		
	Car	Truck	Total	Car	Truck	Total
2019	5,200	1,200	6,300	$3.51	$4.13	$7.64
2020	11,600	2,600	14,200	$7.92	$9.25	$17.17
2021	12,600	2,800	15,400	$9.32	$11.05	$20.37
2022	12,900	3,000	15,900	$10.35	$12.38	$22.74
2023	13,200	3,000	16,100	$10.55	$12.50	$23.05
2024	13,400	3,000	16,300	$10.74	$12.66	$23.40
2025	13,500	3,000	16,500	$10.84	$12.85	$23.70
2026	13,400	3,000	16,400	$11.65	$14.06	$25.70
2027	13,300	3,000	16,300	$12.63	$15.29	$27.92
2028	13,600	3,100	16,700	$12.88	$15.52	$28.39
2029	13,800	3,100	16,900	$13.02	$15.67	$28.69
2030	14,000	3,100	17,100	$13.24	$15.78	$29.01
2031	13,800	3,100	16,900	$14.15	$17.23	$31.38
2032	13,500	3,100	16,600	$15.12	$18.69	$33.82
2033	13,700	3,100	16,800	$15.35	$18.80	$34.15
2034	13,900	3,200	17,000	$15.60	$18.99	$34.59
2035	14,100	3,200	17,300	$15.88	$19.19	$35.07
2036	13,900	3,200	17,100	$16.85	$20.80	$37.65
2037	13,700	3,100	16,800	$17.98	$22.42	$40.40
2038	13,800	3,200	16,900	$18.18	$22.62	$40.81
2039	13,800	3,200	17,000	$18.38	$22.78	$41.16
2040	14,000	3,200	17,100	$18.61	$22.85	$41.46
2041	13,900	3,200	17,000	$20.00	$24.88	$44.88
2042	13,700	3,200	16,900	$21.50	$26.92	$48.42
2043	13,800	3,200	17,000	$21.58	$27.01	$48.58
2044	13,900	3,200	17,100	$21.80	$27.14	$48.95
2045	14,000	3,200	17,200	$22.05	$27.39	$49.44
2046	13,900	3,200	17,000	$23.61	$29.76	$53.36
2047	13,700	3,200	16,900	$25.35	$32.08	$57.43
2048	13,900	3,200	17,100	$25.67	$32.35	$58.02
2049	14,000	3,300	17,200	$25.98	$32.58	$58.56
2050	14,100	3,300	17,300	$26.26	$32.68	$58.94
2051	14,000	3,200	17,200	$28.10	$35.43	$63.53
2052	13,800	3,200	16,900	$29.90	$38.35	$68.25
2053	13,800	3,200	17,100	$30.22	$38.65	$68.88
2054	14,000	3,300	17,200	$30.62	$38.85	$69.47
2055	14,100	3,300	17,400	$31.00	$39.18	$70.18
2056	14,000	3,300	17,200	$33.18	$42.45	$75.63
2057	13,700	3,200	16,900	$35.28	$45.69	$80.97
2058	13,700	3,200	17,000	$35.63	$46.02	$81.65
2059	13,900	3,300	17,200	$36.09	$46.42	$82.51
2060	14,100	3,300	17,400	$36.57	$46.79	$83.36

Table 14: Toll Traffic and Revenue Estimates, ORT

Fiscal Year	ORT					
	Daily Toll Transactions			Annual Revenue (Millions)		
	Car	Truck	Total	Car	Truck	Total
2019	5,200	1,200	6,400	$3.71	$4.32	$8.03
2020	11,800	2,600	14,400	$8.36	$9.63	$17.98
2021	12,800	2,900	15,600	$9.79	$11.45	$21.24
2022	13,200	2,900	16,000	$10.86	$12.80	$23.66
2023	13,300	2,900	16,300	$11.06	$12.92	$23.98
2024	13,600	3,000	16,500	$11.26	$13.09	$24.35
2025	13,700	3,100	16,700	$11.36	$13.29	$24.65
2026	13,500	3,000	16,500	$12.20	$14.54	$26.74
2027	13,500	3,000	16,500	$13.26	$15.83	$29.09
2028	13,800	3,000	16,900	$13.53	$16.07	$29.60
2029	14,000	3,100	17,100	$13.66	$16.23	$29.89
2030	14,200	3,200	17,300	$13.91	$16.35	$30.26
2031	14,000	3,200	17,100	$14.88	$17.87	$32.76
2032	13,700	3,200	16,800	$15.92	$19.39	$35.31
2033	13,800	3,200	16,900	$16.15	$19.50	$35.64
2034	14,000	3,200	17,200	$16.40	$19.70	$36.10
2035	14,300	3,200	17,500	$16.71	$19.90	$36.61
2036	14,100	3,200	17,300	$17.72	$21.57	$39.29
2037	13,800	3,200	17,000	$18.92	$23.25	$42.17
2038	14,000	3,200	17,100	$19.14	$23.47	$42.60
2039	14,000	3,200	17,200	$19.34	$23.63	$42.97
2040	14,100	3,200	17,300	$19.57	$23.70	$43.27
2041	14,000	3,200	17,200	$21.05	$25.81	$46.86
2042	14,000	3,200	17,100	$22.64	$27.93	$50.58
2043	14,000	3,200	17,200	$22.70	$28.01	$50.71
2044	14,100	3,200	17,300	$22.94	$28.15	$51.09
2045	14,200	3,200	17,400	$23.21	$28.41	$51.61
2046	14,000	3,200	17,300	$24.86	$30.87	$55.73
2047	14,000	3,200	17,100	$26.72	$33.28	$59.99
2048	14,100	3,200	17,300	$27.06	$33.57	$60.62
2049	14,200	3,200	17,400	$27.36	$33.80	$61.16
2050	14,300	3,300	17,500	$27.65	$33.89	$61.55
2051	14,200	3,200	17,400	$29.65	$36.76	$66.40
2052	14,000	3,200	17,200	$31.53	$39.80	$71.33
2053	14,100	3,200	17,300	$31.85	$40.10	$71.95
2054	14,200	3,300	17,500	$32.28	$40.30	$72.58
2055	14,300	3,300	17,600	$32.69	$40.65	$73.34
2056	14,200	3,300	17,400	$35.00	$44.05	$79.04
2057	13,900	3,200	17,100	$37.18	$47.41	$84.58
2058	14,000	3,300	17,200	$37.55	$47.75	$85.30
2059	14,100	3,300	17,400	$38.06	$48.17	$86.23
2060	14,300	3,300	17,600	$38.54	$48.54	$87.08

5.4 Toll Sensitivity Analysis

The base case traffic and toll revenue forecasts were presented in the previous section. In this section, a series of sensitivity tests are described and their associated estimated toll revenues are compared to the base case estimates for selected forecast years. These include slight differences in the potential long term toll escalation, restrictions on alternate routes, and the offering of a frequency discount option.

5.4.1 Alternative Toll Rate Schedule

Jacobs analyzed an alternate toll schedule that assumed tolls would taper to a lower rate of increase beginning in 2036, with slight changes to rounding in early years at the mainline and ramp toll plazas. These alternate toll rate assumptions result in equal toll rates for the opening year, similar toll rates 20 years out, and significantly different toll rates 40 years out. Table 15 presents these alternate toll rates, while Table 16 presents a summary of the resulting revenue differences. In the near term, the alternate toll schedule would generate relatively the same revenue, while in the out years the alternate toll schedule would generate significantly less toll revenue, since the average toll would be lower.

Table 15: Alternate Toll Rates by Project Year, 2018-2056

	Mainline		Levels Rd		Summit Br		Jamison Cnr	
Year	**2-axle**	**5-axle**	**2-axle**	**5-axle**	**2-axle**	**5-axle**	**2-axle**	**5-axle**
2018	$4.00	$11.00	$1.00	$10.00	$0.75	$10.00	$0.50	$10.00
2021	$5.00	$14.00	$1.25	$13.00	$0.75	$13.00	$0.50	$13.00
2026	$6.00	$17.00	$1.50	$15.00	$1.00	$15.00	$0.50	$15.00
2031	$7.00	$19.00	$1.75	$18.00	$1.00	$18.00	$0.75	$18.00
2036	$8.00	$22.00	$2.00	$20.00	$1.50	$20.00	$0.75	$20.00
2041	$9.00	$25.00	$2.25	$23.00	$1.50	$23.00	$0.75	$23.00
2046	$10.00	$28.00	$2.50	$25.00	$1.75	$25.00	$1.00	$25.00
2051	$11.00	$30.00	$2.75	$28.00	$1.75	$28.00	$1.00	$28.00
2056	$12.00	$33.00	$3.00	$30.00	$2.00	$30.00	$1.00	$30.00

Table 16: Sensitivity of Gross Toll Revenue Estimates with Alternative Toll Rate Schedule

Year	AET	ORT
2020	0%	0%
2030	4%	4%
2040	0%	0%
2050	-9%	-9%
2057 (Year 40)	-20%	-20%

5.4.2 Closure of Alternate Route

As currently planned, there will be a relatively easy-to-use, non-tolled alternative, Sassafrass Road, to the Mainline Toll Plaza. Though many truck restrictions are in place or are planned on the local roadways (see Appendix B), this route would still be available to car traffic. The possibility of restricting or closing off Sassafrass Road would make bypassing the Mainline Toll Plaza more difficult via either a longer route northwest toward Cecilton, Maryland or to the south of US 301 onto Edgar Price Road. Table 17 presents the impact that this additional non-tolled travel inconvenience is estimated to have on toll revenues.

Table 17: Sensitivity of Revenue Estimates with Sassafrass Road Closure, 2020

Sensitivity Scenario	AET	ORT
Termination of Sassafrass Rd	8%	8%

5.4.3 Frequency Discount at Mainline Toll Plaza

Jacobs analyzed a wide range of frequency discount options, varying the minimum toll requirements as well as the per-transaction discounted toll rate. These frequency discounts were considered *in conjunction with* the assumption that Sassafrass Road would be closed (see previous sensitivity analysis). Table 18 presents the estimated gross toll revenue impacts of several frequency discount scenarios, offering discounted toll rates of $1.50 for 2-axle vehicles travelling through the Mainline Toll Plaza, for a minimum number of trips per month. It was assumed for this analysis that the discount would be retroactive, and all trips within the month would be charged the lower toll rate once the minimum trip number was achieved. This frequency discount would be made available only to those 2-axle vehicles using E-ZPass at the Mainline Toll Plaza. Although the average cost of a trip on the toll road would go down with the option of a frequency discount, enough local traffic would be enticed to use the toll road so that gross toll revenues could potentially increase.

Table 18: Sensitivity of Revenue Estimates with Road Closure and Frequency Discount (2020)

Sensitivity Scenario*	AET	ORT
8 or more, $1.50 toll	3%	5%
16 or more, $1.50 toll	4%	5%
20 or more, $1.50 toll	5%	6%

*Note: trips per month made by 2-axle vehicles through the Mainline Toll Plaza paying with E-ZPass

5.4.4 Monte Carlo Risk Analysis

A risk analysis using Monte Carlo Simulation was conducted to obtain a more robust understanding of the potential risk factors that could impact the estimated amount of traffic and revenues for the proposed US 301 project. Monte Carlo Simulation Method uses repeated random sampling within a range of input factors over multiple iterations to estimate a range of possible outcomes. A risk analysis involves the following elements:

- Defined range of possible inputs;
- Randomly generated inputs within a specified probability distribution;
- Deterministic (or predictable) computation of the inputs; and
- Aggregate results of the individual computations.

The @Risk software, an Excel add-on, was used to conduct this analysis, which carried out ten thousand iterations (10,000) for the input parameters under analysis. A number of input parameters were tested in the risk analysis with the output (or dependent variable) being the estimated amount of net revenues that could be generated in 2020 and 2030 for both the Open Road Tolling (ORT) and All Electronic Tolling (AET) scenarios. The risk analysis examined the following parameters:

- Percentage Corridor Distribution: This parameter, which refers to the estimated amount of local, mid, and through traffic as a percentage of total traffic on the corridor, was tested separately for automobiles and heavy trucks. For the ORT and AET scenarios, local automobile traffic ranged from 52 percent to 60 percent of total traffic. The percentage of heavy trucks that travel locally was evaluated from 15 percent to 30 percent of total heavy truck traffic along the US 301 corridor.
- Early Year Market Share: The early year market share was examined separately for cars, light trucks, and heavy trucks on the mainline and ramp tolling points. Early year market share was evaluated using a range of 50 percent to 80 percent of total traffic in the ORT scenario for all vehicle categories. For the AET scenario, early year market share ranged from 50 percent to 90 percent in the risk analysis.
- Annual Market Share Growth Rate: This factor impacts the percentage of traffic by vehicle category that uses electronic toll collection during each year of the forecast. The risk range for this input variable extended from 0.25 percent to 3.00 percent.
- Growth Rates in Traffic: This parameter analyzed the estimated annual increase in traffic during the forecast period. Corresponding to population and traffic forecasts for the New Castle County and all of Delaware, this parameter ranged approximately from: (1) 0.00 percent to 2.23 percent from 2013 to 2016; (2) 0.00 percent to 1.70 percent from 2017 to 2019; and (3) the maximum value decreasing gradually from 1.63 percent in 2021 to 0.94 percent in 2030.
- Ramp-Up: This parameter estimated the degree to which drivers would use this facility upon opening and thereafter. Assuming that the facility would open in 2019, the risk range tested ramp-up for all vehicle categories from 70 percent to 100 percent for 2020 and from 93 percent to 100 percent for 2021.

- Value of Time (VOT): In general, this variable looks at the ability and willingness to pay for drivers using the facility and is a factor of annual median household income, which was adjusted to an hourly basis. VOT ranged from $10.50 per hour to $19.23 per hour in the risk analysis.
- Inflation: This parameter is linked to the toll inflation factor in the model. The traffic and revenue model used 2.5 percent, which approximates the annual change in the Consumer Price Index (CPI). The risk analysis used a range of 1.75 percent to 4.0 percent for each year of the forecast.

The risk analysis generated the probability that a revenue forecast could be achieved from zero percent to 100 percent with the P50 (mean or 50 percent value) representing the most likely value. As such, the P80, P50, and P20 values represent the probability in which the revenue forecast can be achieved within the iterations conducted.

5.4.4.1 Scenario 1: AET

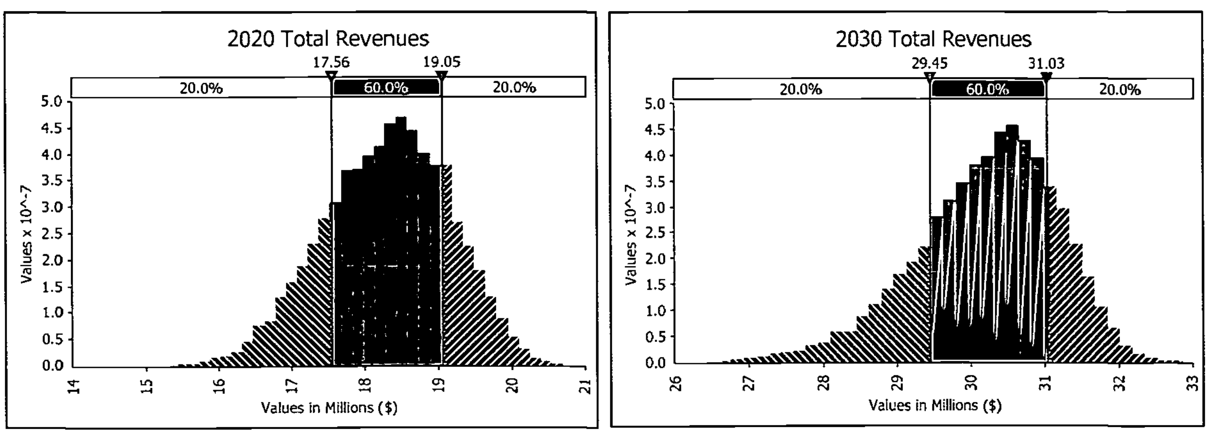
Table 19 compares Jacobs' revenue forecast for the AET scenario in 2020 and 2030 with respect to the P95, P80, P50, P20, and P5 forecast generated by the risk analysis.

Figure 37 shows the probability distributions for 2020 and 2030. Jacobs' forecast is slightly below the P80 estimate, which can be interpreted as having more than an 80 percent probability of being achieved.

Table 19: Comparison of Jacobs Forecast and the Results of the Risk Analysis

Year	P95	Jacobs Forecast	P80	P50	P20	P5
2020	$16.85	**$17.17**	$17.56	$18.35	$19.05	$19.63
2030	$28.50	**$29.01**	$29.45	$30.32	$31.03	$31.18

Figure 37 : Total Revenues, AET



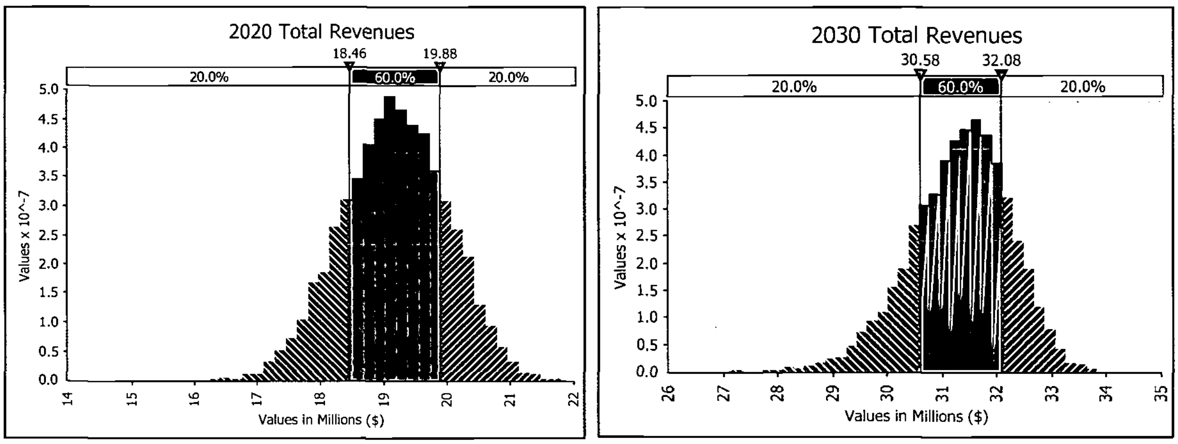
5.4.4.1 Scenario 2: ORT

Table 20**Error! Reference source not found.** compares Jacobs' revenue forecast for the ORT scenario in 2020 and 2030 with respect to the P95, P80, P50, P20, and P5 forecasts generated by the risk analysis.**Error! Reference source not found.** shows the probability distributions for 2020 and 2030. Jacobs' forecast is below the P80 estimate, indicating that it has more than an 80 percent probability of being achieved.

Table 20: Comparison of Jacobs Forecast and the Results of the Risk Analysis (in millions)

Year	P95	Jacobs Forecast	P80	P50	P20	P5
2020	$17.79	**$17.98**	$18.46	$19.17	$19.88	$20.48
2030	$29.71	**$30.26**	$30.58	$31.39	$32.08	$32.68

Figure 38: Total Revenues, ORT



6 Quantity Estimates for Operating Costs

Jacobs was tasked with estimating various quantities for inputs into the operating cost models prepared by others. These include the number of invoices, collection rates and other parameters related to video transactions – be they video customers or violators. Table 21 presents the basic assumptions used to prepare this estimate. Table 22 presents the assumed percentage of bills and fees that would be forgiven during the collection process. These assumptions were held constant for AET and ORT analysis, with the only difference being the actual number of transactions that flow through these collection assumptions.

Table 21: Invoicing Assumptions

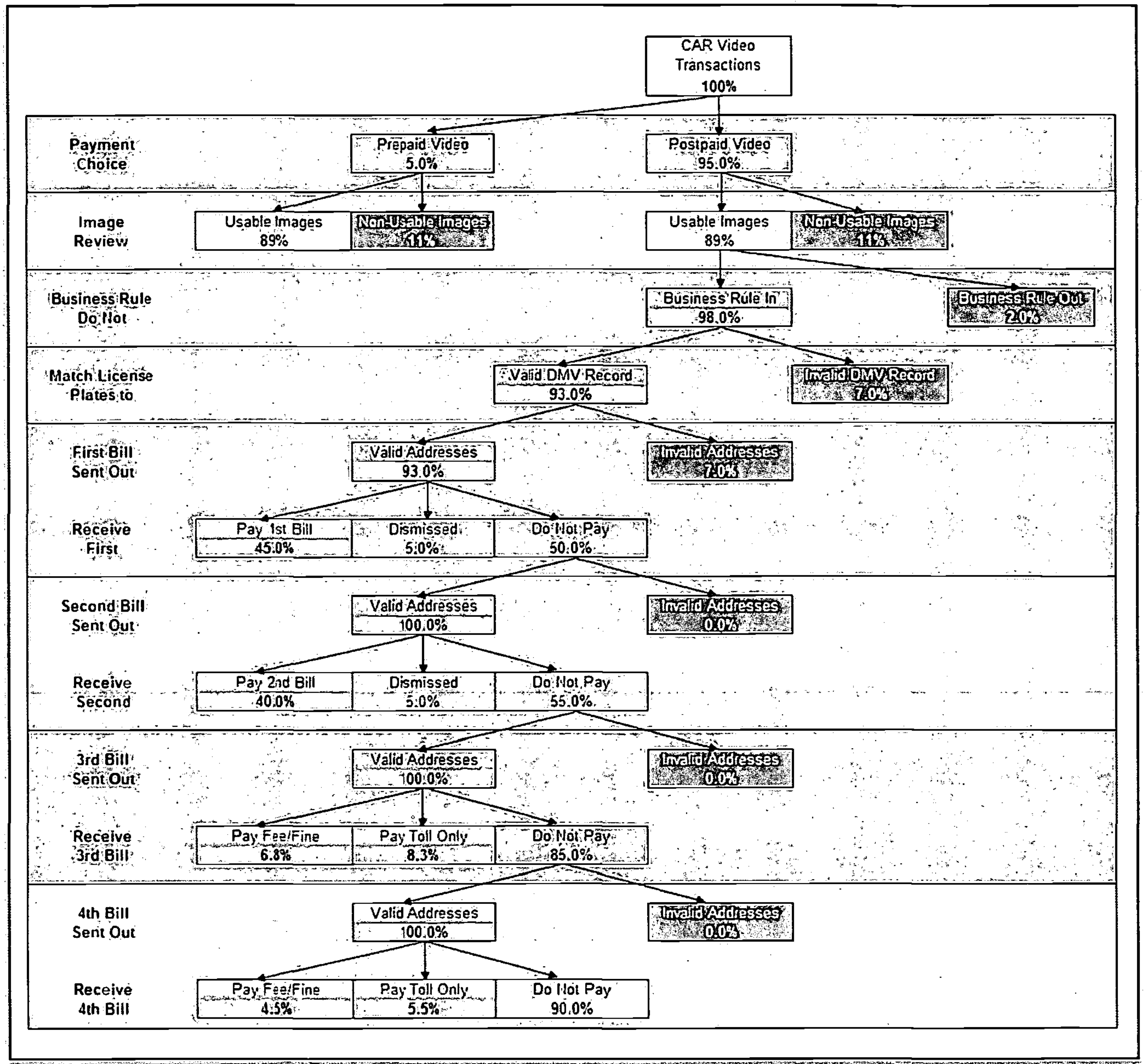
Invoicing Assumption	Cars	Trucks
Non-Usable Video Images	**11%**	**15%**
Business Rule Out	**2%**	**2%**
Invalid DMV Record	**7%**	**2%**
Invalid Addresses, 1st Bill Sent	**7%**	**15%**
Invalid Addresses, 2nd Bill Sent	**0%**	**0%**
Invalid Addresses, Delinquent Notices Sent	**0%**	**0%**
Invalid Addresses, Court Notices Sent	**0%**	**0%**
% Paying 1st Bill (of those received)	**45%**	**35%**
% Paying 2nd Bill (of those received)	**40%**	**60%**
% Paying 3rd Bill (of those received)	**15%**	**15%**
% Paying 4th Bill Within 3 Mo (toll or fine+toll)	**10%**	**10%**

Table 22: Bill Dismissal and Fee Forgiveness Assumptions

Forgiveness Assumptions	Percent of Bills
1st Bills Dismissed	5%
2nd Bills Dismissed	5%
3rd Bill Fee Forgiveness (% of paid 3rd bills)	55%
4th Bill Fine Forgiveness	55%

Figure 39 presents an illustration of the flow through which car video and/or violations transactions will be processed. The percentages shown match those presented in Table 21 and Table 22.

Figure 39: Invoicing Assumptions for Car Video Transactions



6.1 Fee Revenue

In the estimation of revenue generated by invoicing fees, it was assumed that the first two bills would not incur any fee. In the case of ORT it is possible that a small fee would be charged, but this would not be expected to result in the generation of any significant revenue. If the first two bills go unpaid, it was assumed that there would be a $25.00 fee per transaction added to the third bill. This would be upgraded to a fee of $62.50 per transaction for the fourth bill. Table 23 presents a breakdown of annual

Fee Revenue estimates and the resulting total annual revenue estimates for both AET and ORT conditions.

Table 23: Total Annual Toll and Fee Revenue (in millions)

Fiscal Year	AET			ORT		
	Gross Toll Revenue	Fee Revenue	Total Revenue	Gross Toll Revenue	Fee Revenue	Total Revenue
2019	$7.64	$0.28	$7.91	$8.03	$0.04	$8.07
2020	$17.17	$0.57	$17.74	$17.98	$0.09	$18.07
2021	$20.37	$0.57	$20.94	$21.24	$0.10	$21.34
2022	$22.74	$0.54	$23.28	$23.66	$0.10	$23.76
2023	$23.05	$0.55	$23.60	$23.98	$0.09	$24.08
2024	$23.40	$0.56	$23.96	$24.35	$0.09	$24.44
2025	$23.70	$0.57	$24.26	$24.65	$0.09	$24.74
2026	$25.70	$0.56	$26.27	$26.74	$0.09	$26.83
2027	$27.92	$0.56	$28.48	$29.09	$0.08	$29.17
2028	$28.39	$0.56	$28.95	$29.60	$0.08	$29.68
2029	$28.69	$0.57	$29.26	$29.89	$0.08	$29.97
2030	$29.01	$0.58	$29.59	$30.26	$0.07	$30.33
2031	$31.38	$0.57	$31.95	$32.76	$0.06	$32.82
2032	$33.82	$0.56	$34.37	$35.31	$0.06	$35.37
2033	$34.15	$0.57	$34.72	$35.64	$0.06	$35.71
2034	$34.59	$0.58	$35.17	$36.10	$0.06	$36.16
2035	$35.07	$0.58	$35.65	$36.61	$0.07	$36.68
2036	$37.65	$0.58	$38.22	$39.29	$0.06	$39.35
2037	$40.40	$0.56	$40.96	$42.17	$0.06	$42.23
2038	$40.81	$0.57	$41.37	$42.60	$0.06	$42.67
2039	$41.16	$0.58	$41.74	$42.97	$0.06	$43.04
2040	$41.46	$0.59	$42.05	$43.27	$0.06	$43.33
2041	$44.88	$0.57	$45.46	$46.86	$0.06	$46.92
2042	$48.42	$0.56	$48.98	$50.58	$0.06	$50.64
2043	$48.58	$0.57	$49.15	$50.71	$0.06	$50.77
2044	$48.95	$0.57	$49.52	$51.09	$0.06	$51.15
2045	$49.44	$0.58	$50.01	$51.61	$0.06	$51.68
2046	$53.36	$0.57	$53.93	$55.73	$0.06	$55.80
2047	$57.43	$0.56	$57.99	$59.99	$0.06	$60.06
2048	$58.02	$0.56	$58.58	$60.62	$0.06	$60.69
2049	$58.56	$0.57	$59.13	$61.16	$0.07	$61.23
2050	$58.94	$0.58	$59.52	$61.55	$0.07	$61.61
2051	$63.53	$0.57	$64.10	$66.40	$0.06	$66.47
2052	$68.25	$0.56	$68.80	$71.33	$0.06	$71.39
2053	$68.88	$0.56	$69.44	$71.95	$0.06	$72.02
2054	$69.47	$0.57	$70.04	$72.58	$0.07	$72.65
2055	$70.18	$0.57	$70.76	$73.34	$0.07	$73.41
2056	$75.63	$0.57	$76.20	$79.04	$0.06	$79.11
2057	$80.97	$0.56	$81.53	$84.58	$0.06	$84.65
2058	$81.65	$0.56	$82.21	$85.30	$0.06	$85.37
2059	$82.51	$0.57	$83.08	$86.23	$0.06	$86.29
2060	$83.36	$0.57	$83.93	$87.08	$0.07	$87.15

Appendix A: National Economic Trends

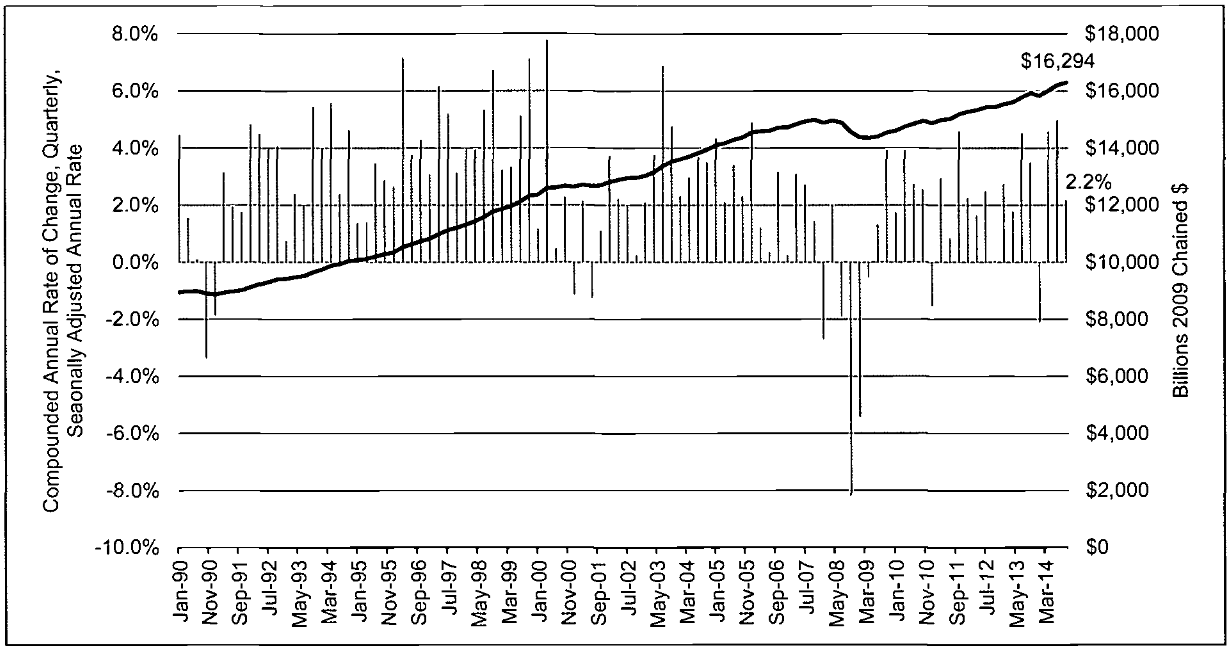
A. Recent Macroeconomic Trends

This document summarizes historical and future demographic and economic conditions for the United States. Note gray shaded areas that appear in the figures below signify recessionary periods in the United States.

A.1. Output and Growth

Real gross domestic product (GDP) measures the real value of goods and services produced by the U.S. economy. Real GDP reached approximately $16.3 trillion in the fourth quarter of 2014. As shown in Figure 1, real GDP has continued to grow since the end of the most recent recession in 2009. In fact, since the third quarter of 2009, real GDP has increased approximately 13.1 percent.

Figure 1: Real Gross Domestic Product

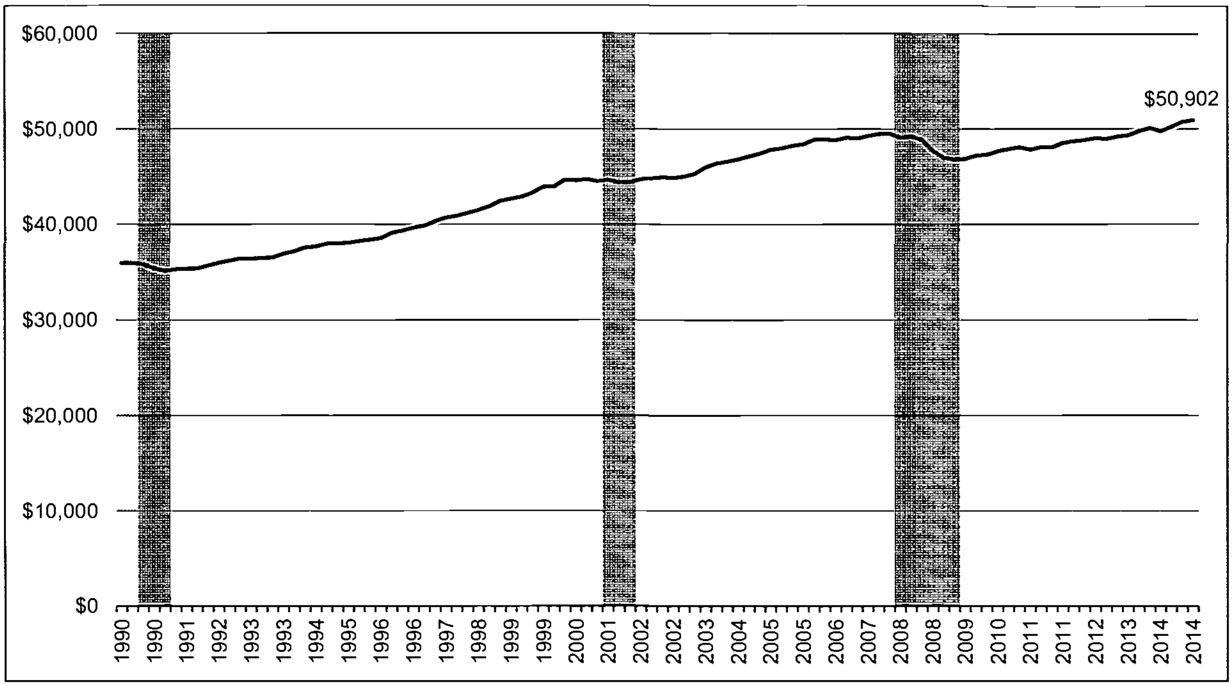


Source: Bureau of Economic Analysis

Although economic output has increased since the end of the most recent recession, consistently high growth in real GDP has remained elusive for the U.S. economy. As shown in Figure 1, the seasonally adjusted annual rate of change in real GDP, measured on a quarterly basis, has fluctuated between -2.1 percent and 5.0 percent since the third quarter of 2009 when the most recent recession ended. In the four most recent quarters, however, real GDP has changed at annualized rates of -2.1, 4.6, 5.0 and 2.2 percent, suggesting that higher, more consistent levels of growth may be returning.

Real GDP has also increased on a per capita basis, although it only recently surpassed levels last observed in 2007. In the fourth quarter of 2007, per capita real GDP stood at $49,506 before falling approximately 5.5 percent to $46,781 in the second quarter of 2009. Since the end of the most recent recession, it has rebounded to reach $50,902 in the fourth quarter of 2014; in fact, per capita real GDP has increased in 10 of the last 12 quarters.

Figure 2: Per Capita Real Gross Domestic Product



Source: Bureau of Economic Analysis

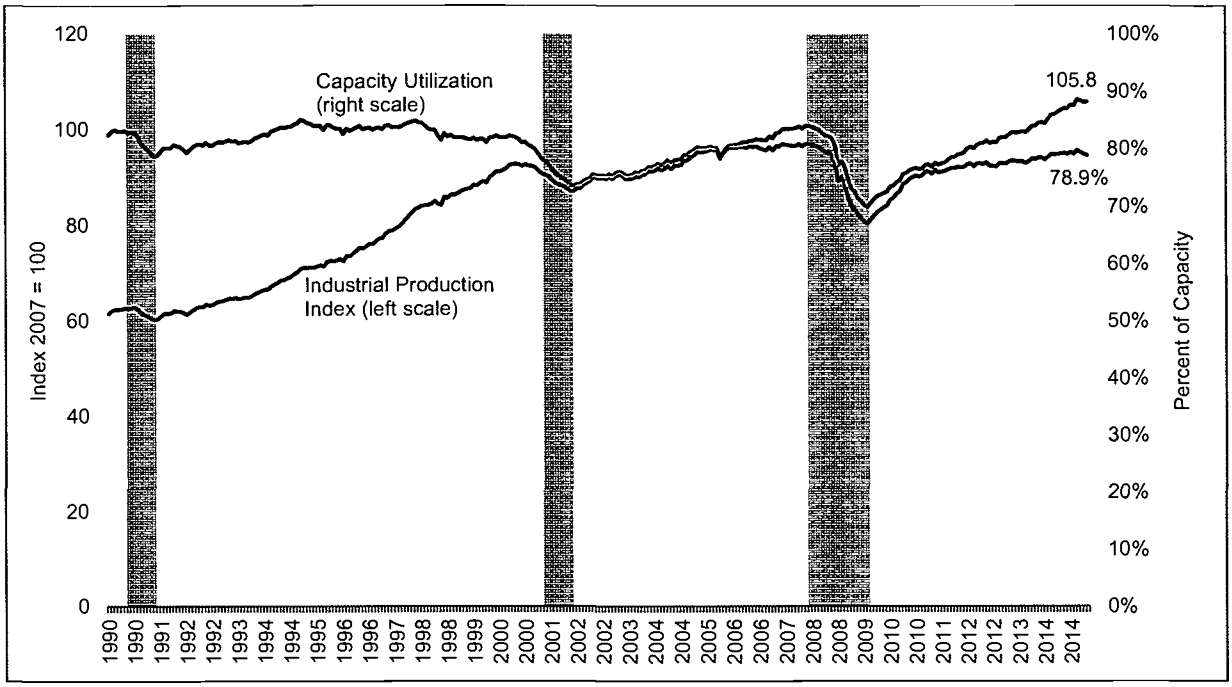
Industrial production and capacity utilization are two other measures of the output of the U.S. economy. The Industrial Production Index (IPI), maintained by the Board of Governors of the Federal Reserve System, measures economic output in the manufacturing, mining, and gas and electric utilities industries. Capacity utilization is the "percentage of resources used by corporations and factories to produce goods in manufacturing, mining, and electric and gas utilities for all facilities located in the United States (excluding those in U.S. territories)."[1]

As shown in Figure 3, both industrial production and capacity utilization in the U.S. economy decreased sharply during the most recent recession. Capacity utilization was hit particularly hard during the 2007-2009 economic downturn, reaching a low of 66.9 percent in June of 2009, the lowest level observed in over 40 years.

Since the end of the recession, however, both measures have rebounded, with capacity utilization reaching 78.9 percent and the IPI reaching 105.8 as of February 2015. This represents a return to more normal levels of activity for both measures.

[1] Board of Governors of the Federal Reserve System, G.17 Industrial Production and Capacity Utilization.

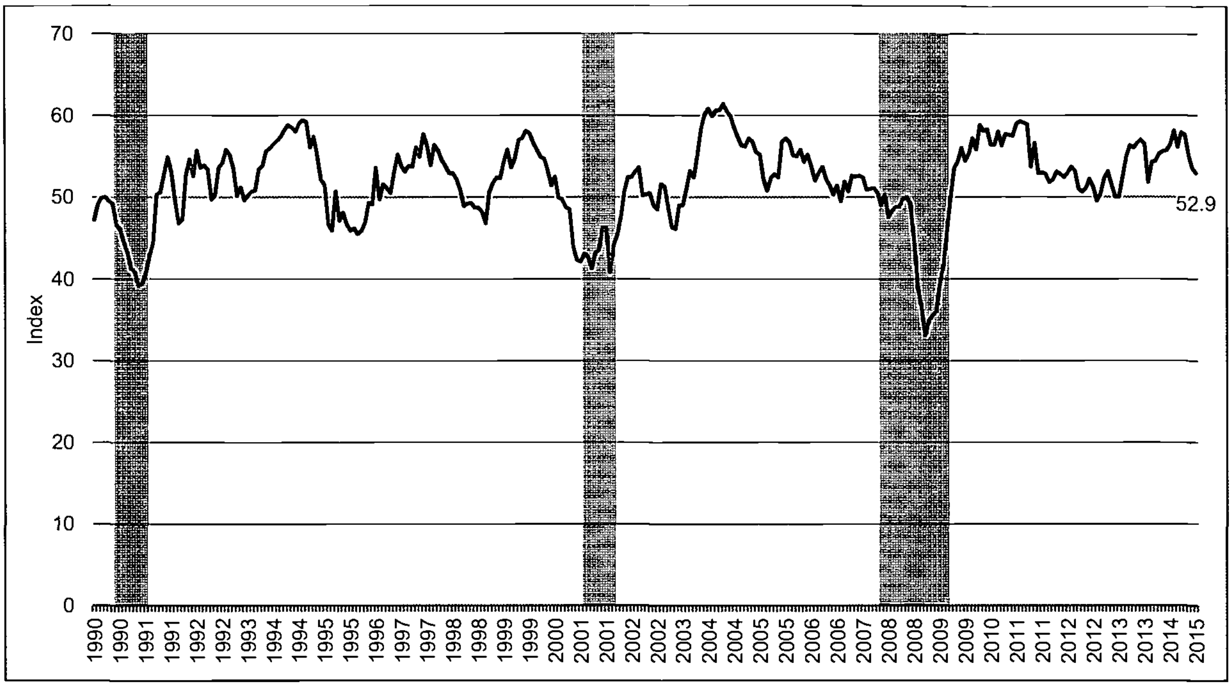
Figure 3: Industrial Production and Capacity Utilization



Source: Board of Governors of the Federal Reserve System

The Purchasing Managers Index (PMI) also rebounded sharply after a steep decline during the last recession. The PMI is a statistic maintained by the Institute for Supply Management and is produced by surveying different types of purchasing managers on a monthly basis to measure the health of the manufacturing sector of the economy. If the PMI is above 50, then the manufacturing sector of the economy is expanding; conversely, if the PMI is below 50 then manufacturing activity is contracting. The most recent PMI data available, as shown in Figure 4, show that the manufacturing sector of the economy has been expanding for the last 27 months.

Figure 4: Purchasing Managers Index



Source: Institute for Supply Management

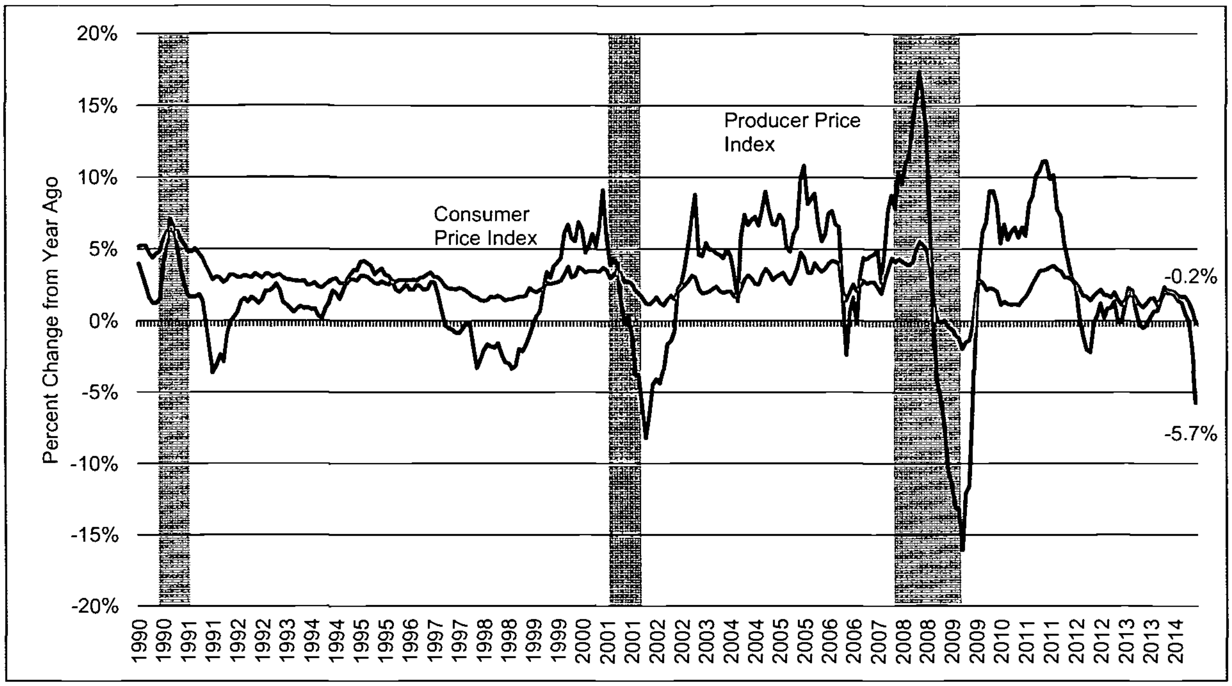
A.2. Prices

The Consumer Price Index (CPI) and the Producer Price Index (PPI) are two measures of the level of prices experienced by different segments of the U.S. economy. As expected, both consumer and producers prices declined during the most recent recession as economic activity in the United States slowed. Since the return of economic growth, both the CPI and PPI have been, for the most part, increasing at varying rates.

Since the beginning of 2010, shortly after the end of the 2007-2009 recession, the annual change in consumer prices has remained mostly positive although the rate of change has fluctuated between -0.2 percent and 3.8 percent. For the year to January 2015, the CPI decreased 0.2 percent.

Producer prices have behaved in a similar manner since the beginning of 2010, although the PPI tends to be a bit more volatile than the CPI. Since the start of 2010, the rate of change in producer prices has oscillated between -5.7 percent and 11.1 percent. The most recent PPI report, which measures the change in producer prices in the year to January 2015, shows that prices decreased by 5.7 percent.

Figure 5: Consumer and Producer Price Indices



Source: Bureau of Labor Statistics

The employment cost index (ECI) measures the change in the cost of labor over time. As shown in Figure 5, employment costs have been increasing over the past 12 years. The latest recession, however, tempered the pace of cost increases; since 2010, the ECI has increased at an average annual rate of 2.0 percent. This is close to the rate of change experienced by the CPI and slightly lower than the rate of changed experienced by the PPI.

Figure 6: Employment Cost Index

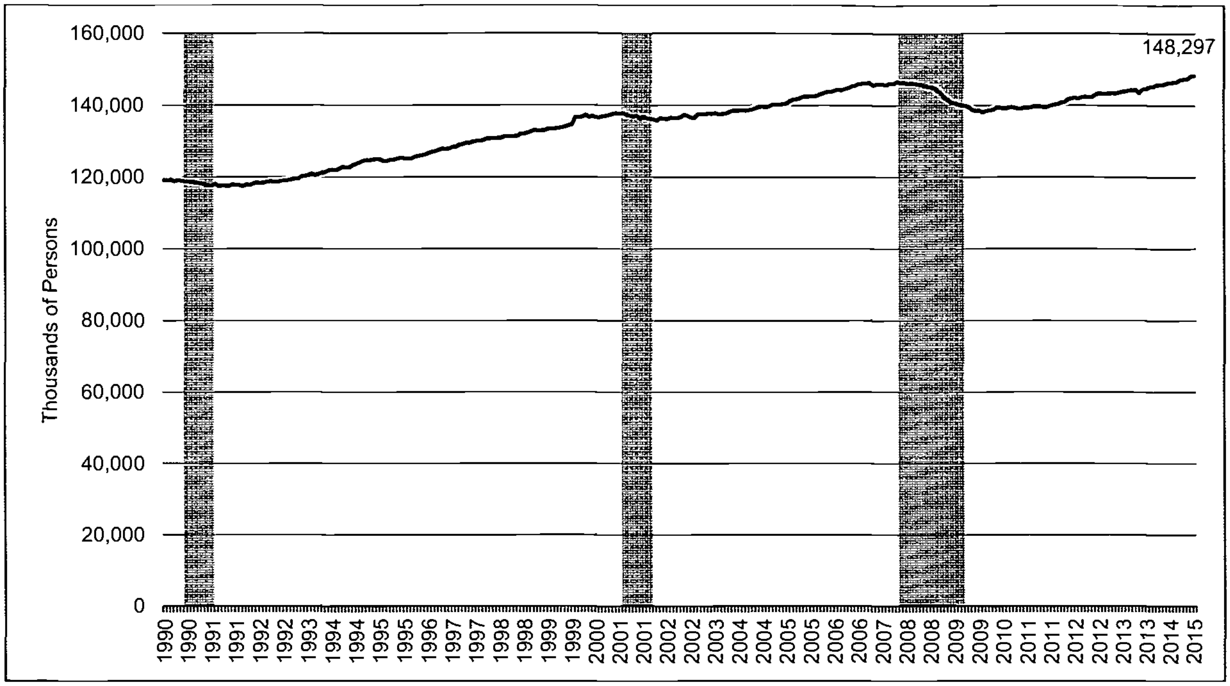
Source: Bureau of Labor Statistics

A.3. Employment

As demonstrated by Figure 7, the drop in employment experienced by the U.S. economy during the 2007-2009 recession was severe. From December 2007 to June 2009, civilian employment fell from 146.2 million persons to 140.0 million persons, a decrease of 4.3 percent.

With the economy improving in recent months, civilian employment in the United States reached approximately 148.3 million persons in February, 2015. This represents a 7.5 percent increase from the lowest civilian employment level observed during the last recession.

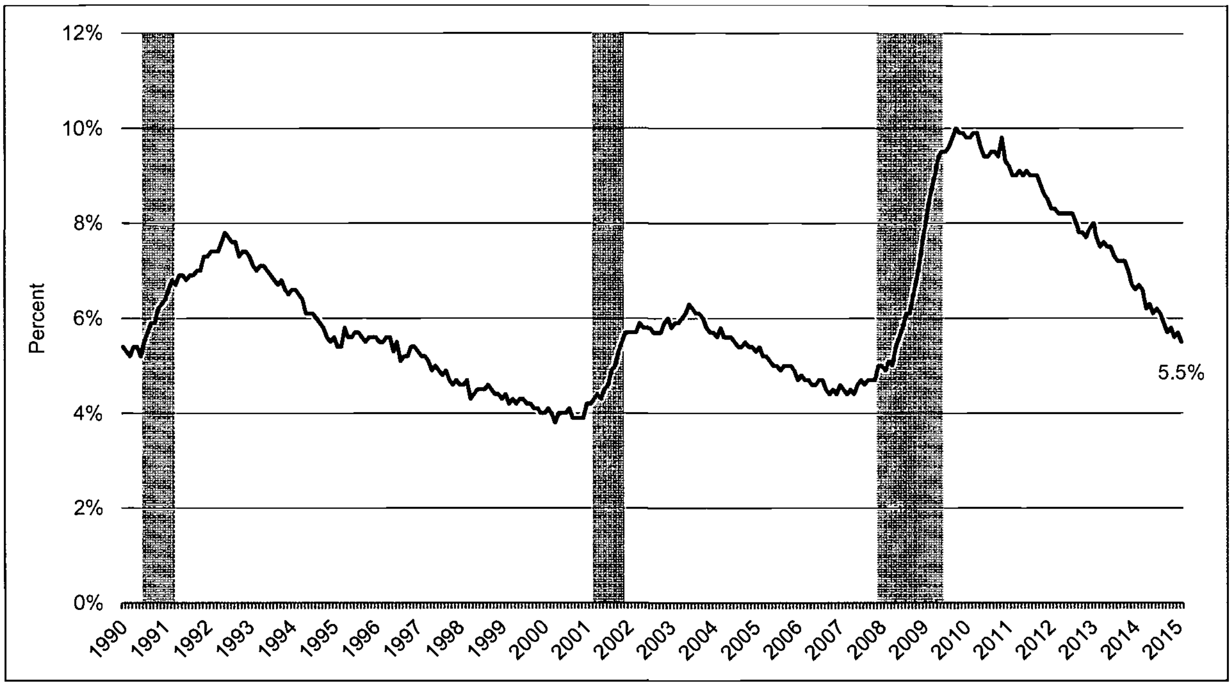
Figure 7: Civilian Employment



Source: Bureau of Labor Statistics

The increase in the level of civilian employment in the U.S. economy coincided with a decrease in the unemployment rate. At its recent peak shortly after the end of the most recent recession, the unemployment rate reached 10.0 percent in October 2009. As shown in Figure 8, this is a historically high rate observed only once in the U.S. economy in the last 25 years. Since October 2009, however, the unemployment rate has fallen steadily to 5.5 percent in February 2015.

Figure 8: Unemployment Rate

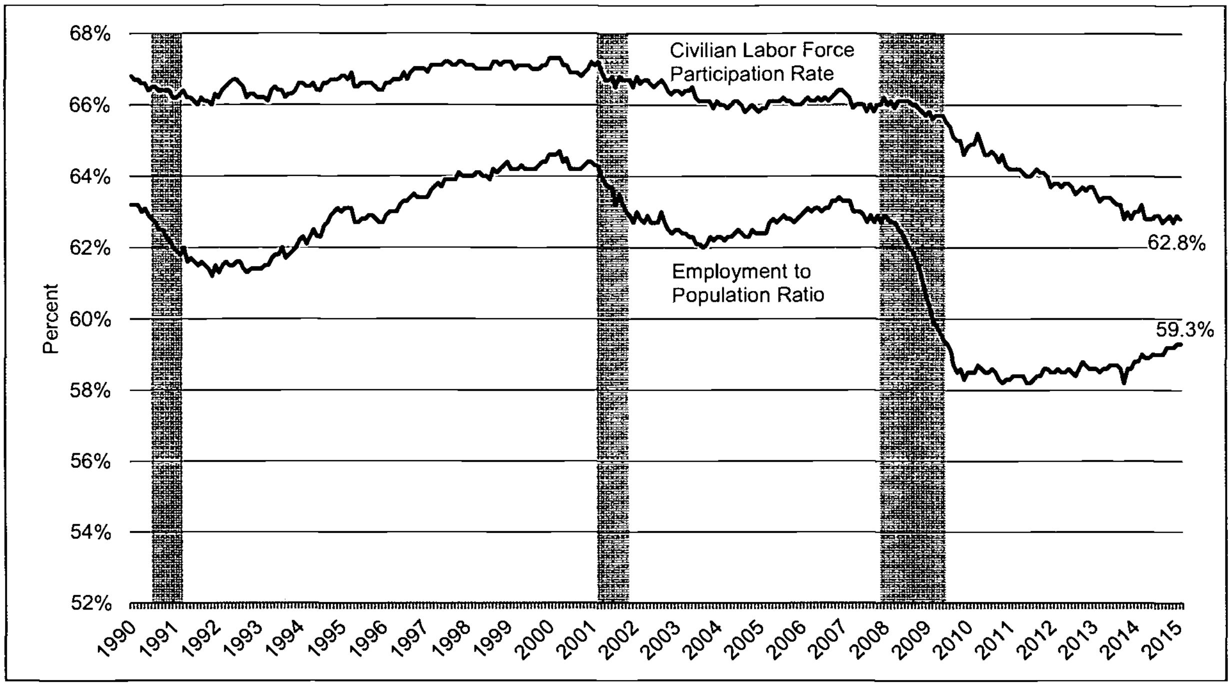


Source: Bureau of Labor Statistics

The number of civilian employees and the unemployment rate, however, do not reveal the full employment picture in the U.S. economy, which remains somewhat challenged. Figure 9 depicts the civilian labor participation rate and the employment to population ratio for the U.S. economy since 1990.

As the figure shows, both measures of labor market participation have declined since the beginning of the 2007-2009 recession. Since December of 2007, the technical start date of the last recession, the employment to population ratio declined by 3.4 percentage points, from 62.7 percent in December 2007 to 59.3 percent in February 2015. This is the first time since the mid-1980s that the employment to population ratio has spent any meaningful amount of time below 60.0 percent. Although historically low, this labor market metric has started to improve over the last several months. Over the same time period, the civilian labor participation rate declined by 3.2 percentage points, from 66.0 percent to 62.8 percent.

Figure 9: Labor Participation and Employment to Population Ratio

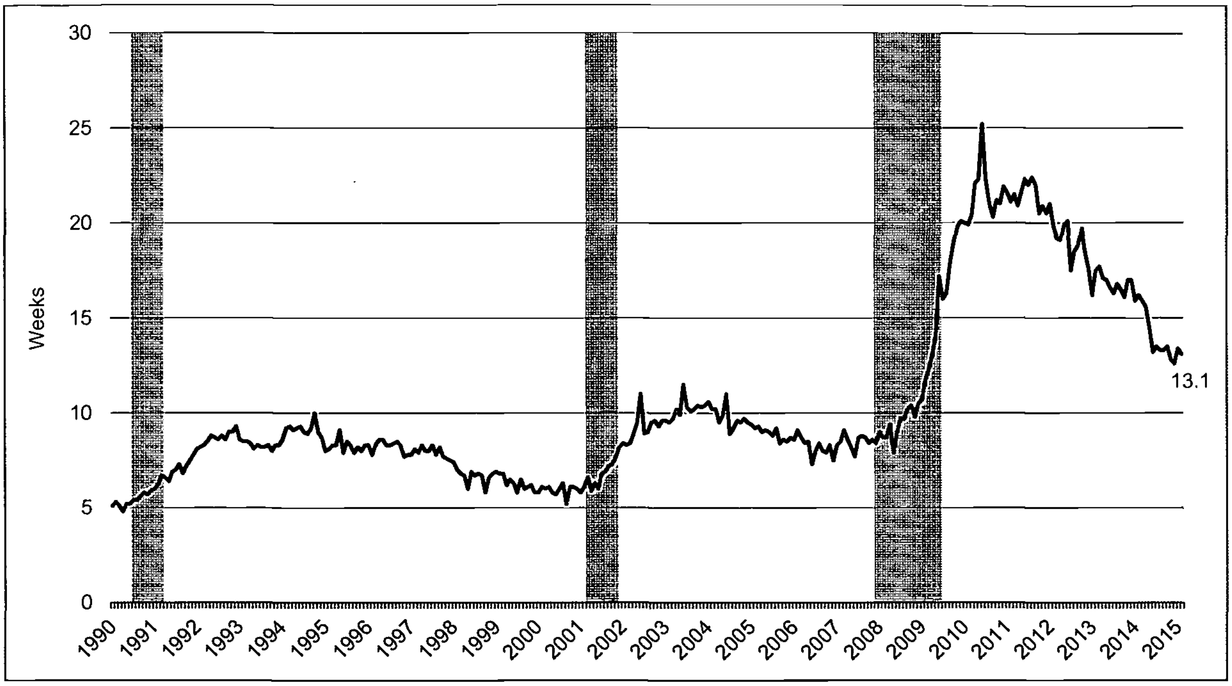


Source: Bureau of Labor Statistics

In addition to the declining measures of labor market participation, the duration of unemployment during and after the recession has remained high by recent historical standards, suggesting that businesses are reluctant to hire and persons seeking employment are encountering a difficult job market.

Figure 10 displays the median duration of unemployment measured in weeks. As shown by the shape of the graph, the median number of weeks of unemployment increased dramatically during the 2007 to 2009 recession. Less than 10 weeks before the recession, the median duration of unemployment peaked at 25 weeks exactly one year after the conclusion of the recession. As of February 2015, median duration stood at 13.1 weeks, still high by historical standards although it is on a downward trajectory, which may prove to be a promising sign for the U.S. economy.

Figure 10: Median Duration of Unemployment

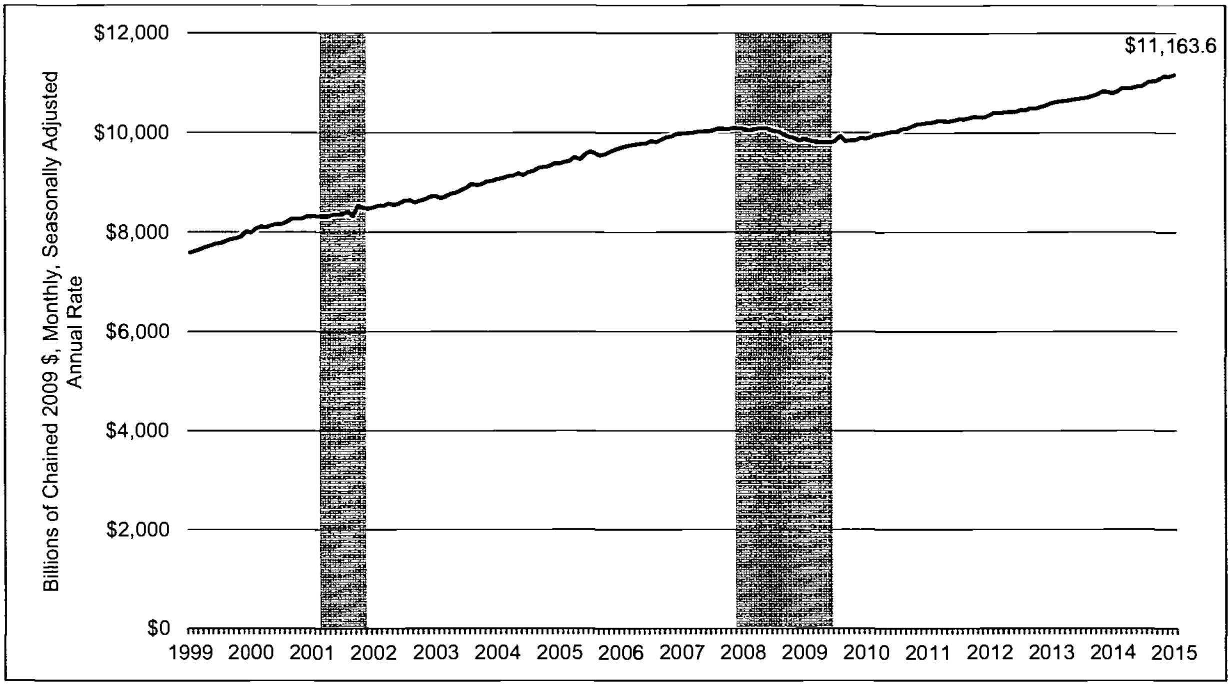


Source: Bureau of Labor Statistics

A.4. Consumer and Investment Spending

Much of the growth in the U.S. economy is driven by increases in consumer and investment spending by citizens and businesses. Figure 11 displays real personal consumption expenditures in the United States from January 1999 to January 2015. As shown by the shape of the graph, consumer spending increased at a fairly steady rate from January 1999 to January 2008 near the start of the most recent recession. In fact, over that time period, personal consumption increased at an average annual rate of 3.2 percent, rising from $7,582 to $10,074. From January 2008 to January 2015, the average annual growth rate of real personal consumption slowed to 1.5 percent, and only reached $11,163 in January 2015, the last month for which data are available.

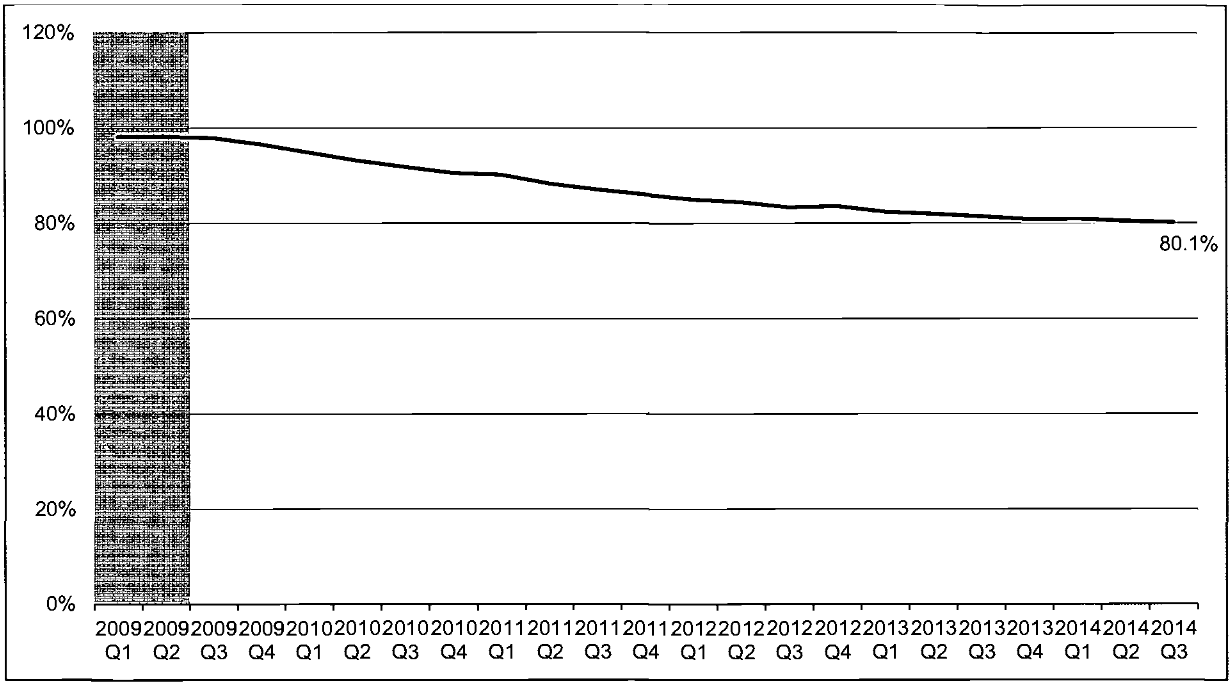
Figure 11: Real Personal Consumption Expenditures



Source: Bureau of Economic Analysis

While the most recent recession slowed real personal consumption, it also spurred households to pay down their debts, causing the debt to GDP ratio to decline. From the first quarter of 2009 to the third quarter of 2014, the household debt to GDP ratio declined by 18.0 percentage points, from 98.1 percent to 80.1 percent, a significant decrease in a relatively short period of time.

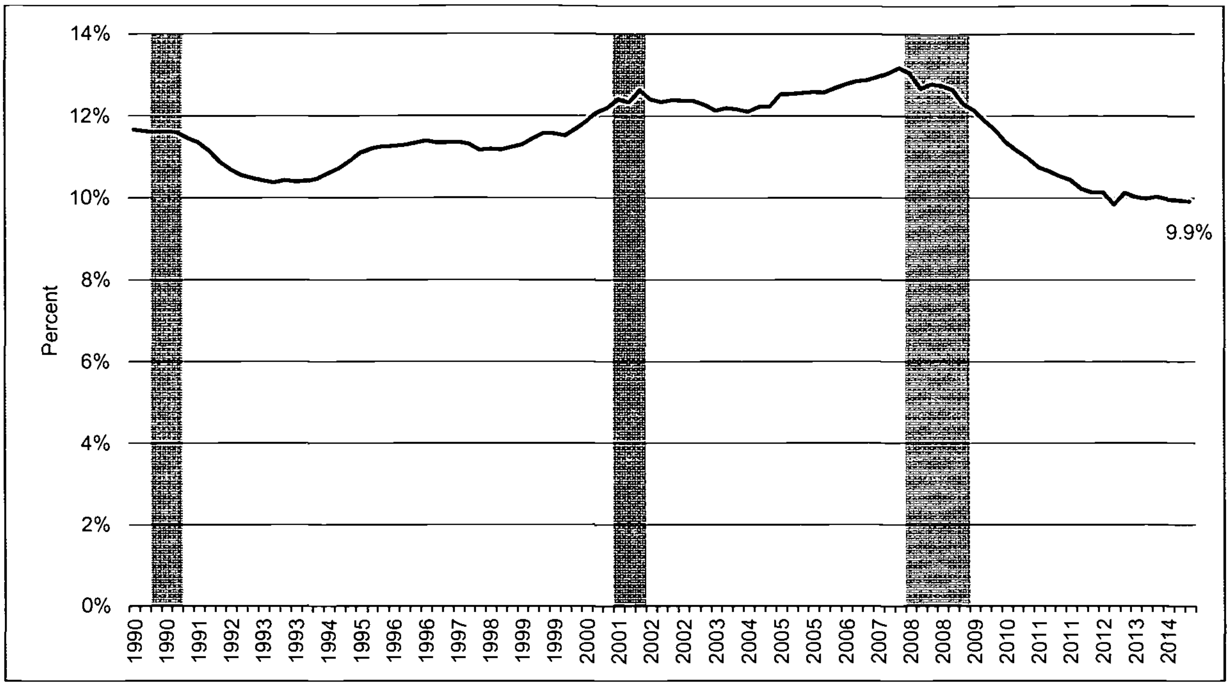
Figure 12: Household Debt to GDP Ratio



Source: International Monetary Fund

Concurrently, household debt service payments as a percent of disposable personal income also declined. It seems that the most recent recession shifted households' priorities from personal consumption to deleveraging of debts. As shown in **Error! Reference source not found.**, debt service payments fell to 9.9 percent of personal disposable income in the third quarter of 2014 from a peak of 13.2 percent in the fourth quarter of 2007 at the beginning of the most recent recession.

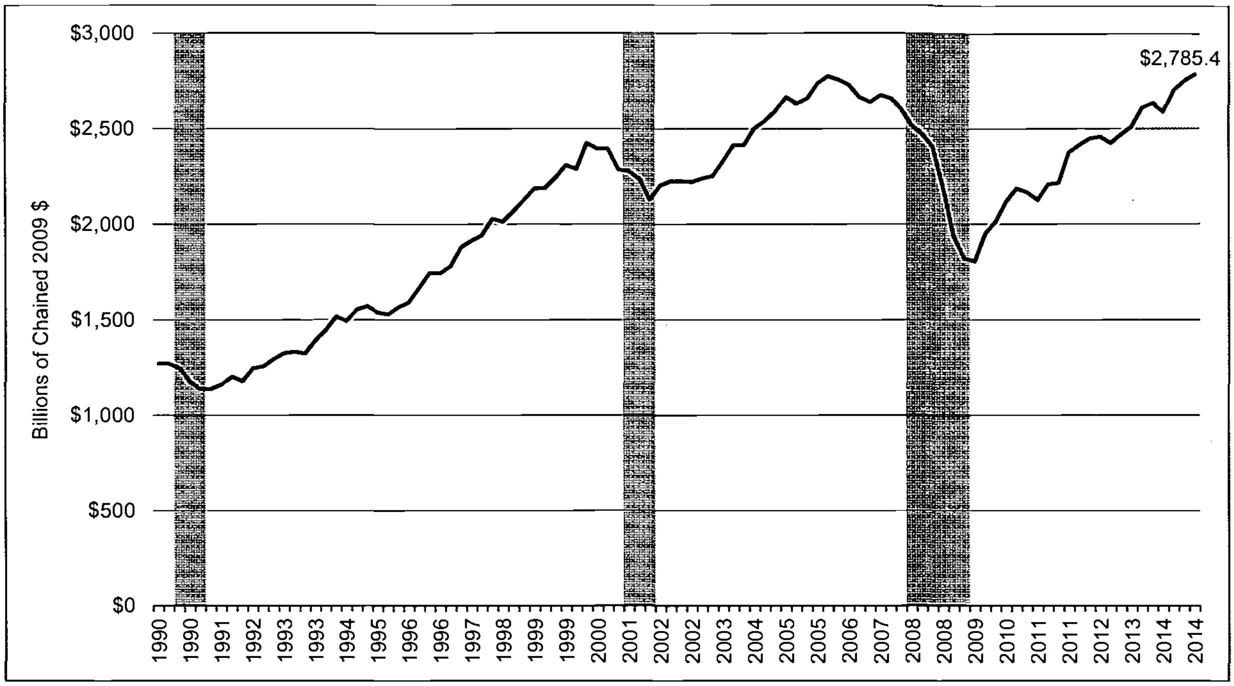
Figure 13: Household Debt Service Payments as a Percent of Disposable Personal Income



Source: Board of Governors of the Federal Reserve System

Investment spending in the United States, similar to other forms of economic activity, decreased sharply during the 2007 to 2009 recession. Real gross private domestic investment, an important component of GDP, fell from $2,605.2 billion in the fourth quarter of 2007 to $1,804.7 billion in the third quarter of 2009, a decrease of 30.7 percent. Since the end of the recession, real gross private domestic investment increased sharply, rising to $2,785.4 billion in the fourth quarter of 2014. Rising levels of private domestic investment will be important to the future growth of the U.S. economy.

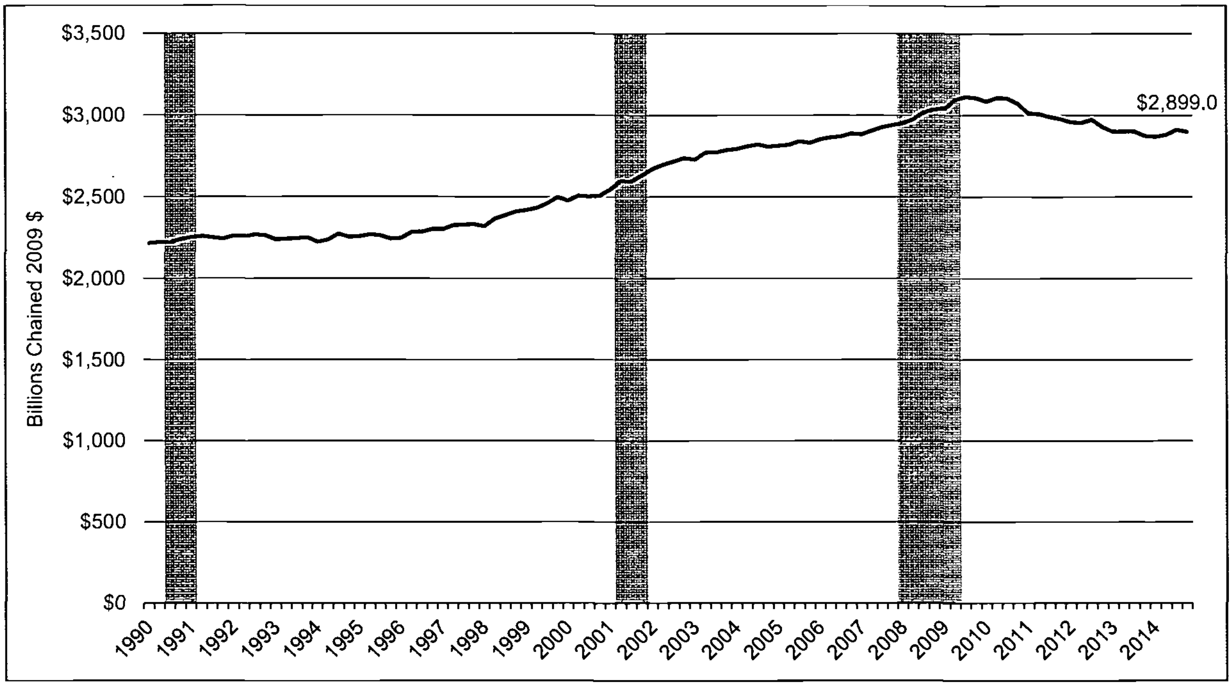
Figure 14: Real Gross Private Domestic Investment



Source: U.S. Bureau of Economic Analysis

Another important component of GDP is government spending. As shown in Figure 15, real government spending has, with a few exceptions, steadily increased from 1990 to 2009. Since the end of the most recent recession, however, real government consumption and investment has steadily declined. In fact, real government consumption and gross investment decreased from $3,113.0 billion in the third quarter of 2009 to $2,899.0 billion in the fourth quarter of 2014, a decrease of 6.8 percent.

Figure 15: Real Government Consumption Expenditures and Gross Investment



Source: Bureau of Economic Analysis

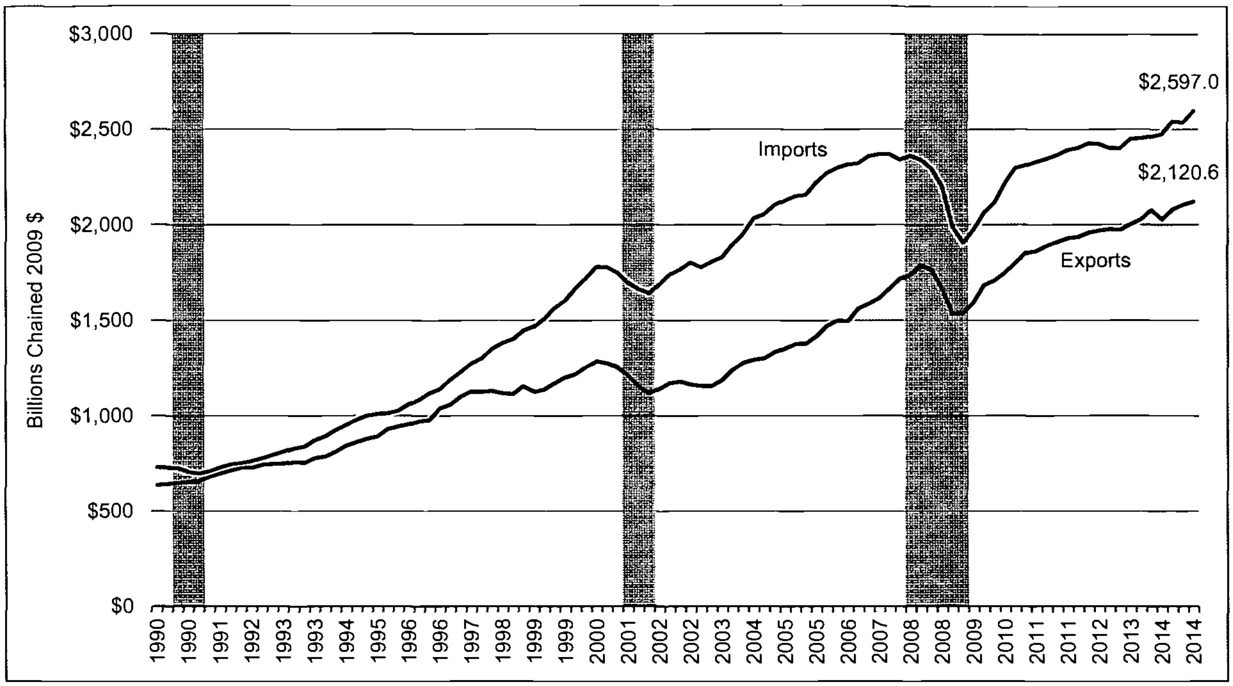
A.5. International Trade

Net exports are another important element of GDP. Both imports and exports – the two constituent parts of net exports – declined during the most recent recession as consumers and businesses decreased their international economic transactions. Since the end of the recession, however, both measures of international economic activity have picked up.

The real value of imports decreased to $1,905.7 billion in the second quarter 2009 near the end of the last recession. Since that time, the value of imports coming into the United States has reached $2,597.0 billion, an increase of 36.3 percent.

The value of exports also rose since the last recession. In the first quarter of 2009, the real value of goods and services exported from the United States to the rest of the world fell to $1,535.3 billion. By the fourth quarter of 2014, the real value of exports rose to $2,120.6 billion, an increase of 38.1 percent.

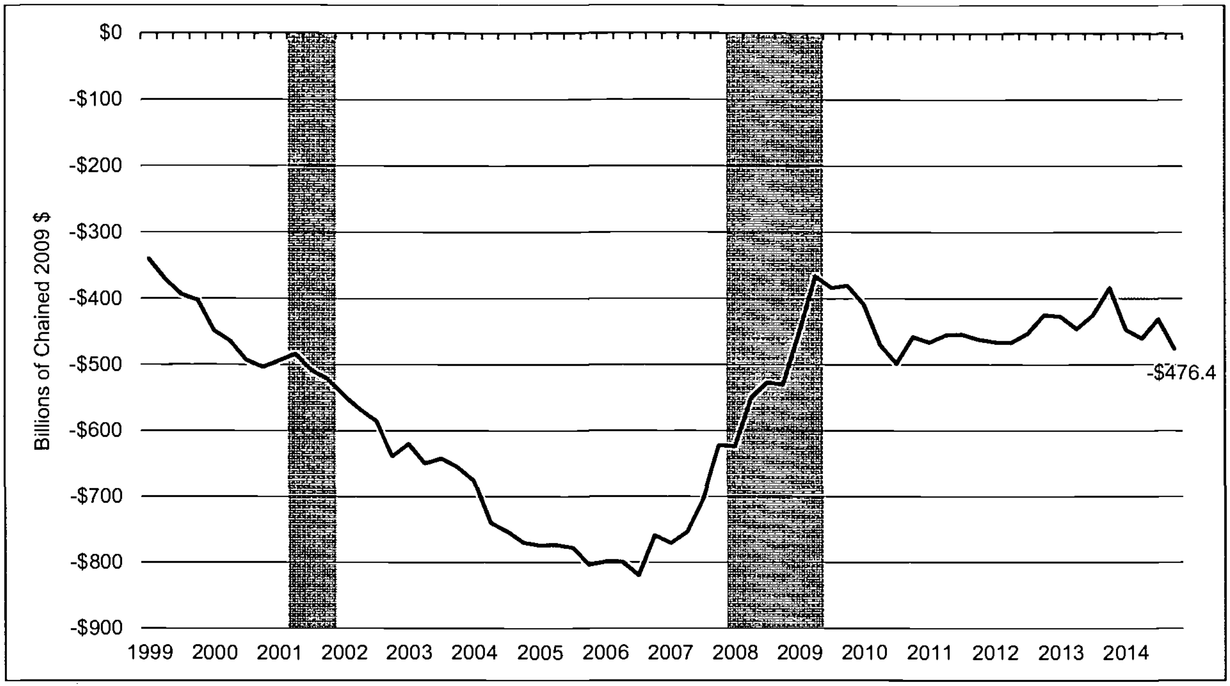
Figure 16: Real Imports and Exports



Source: Bureau of Economic Analysis

As shown in Figure 16, while imports and exports have increased since 1990, the United States has generally been a net importer of goods and services over the last 25 years. While the gap between the value of imports and the value of exports has decreased in recent years, it still remains, as demonstrated by the negative value of real net exports shown in Figure 17.

Figure 17: Real Net Exports



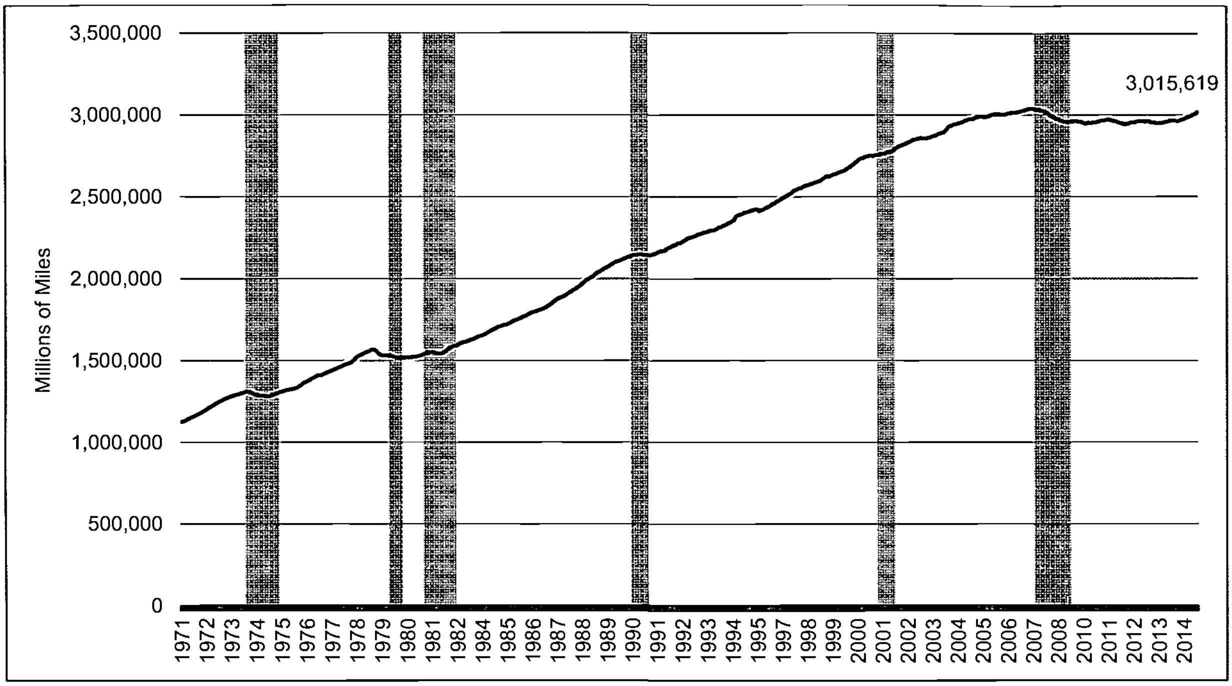
Source: Bureau of Economic Analysis

A.6. Transportation Trends and Energy Prices

Since 2007, the United States has experienced a decrease in vehicle miles traveled (VMT). Moving 12-month total VMT peaked at 3,038,889 million miles in November 2007 and fell to 3,015,619 million miles in December 2014, a decrease of 0.8 percent. This reduction in VMT has resulted in a significant decrease in revenues generated from fuel taxes and tolls, which are major sources of funding for transportation projects. Several factors have contributed to this phenomenon, including volatility in oil and gasoline prices, the aging of the population, periodic decreases in output and employment, and changes in technology that have made some discretionary and non-discretionary trips unnecessary.

It is important to note, however, that this measure of motor vehicle travel has increased in recent months, likely driven in part by a decrease in retail gasoline prices and a general improvement in the economy. In 2014, from January to December, moving 12-month total VMT increased 1.8 percent, from 2,963,265 million miles to 3,015,619 million miles.

Figure 18: Vehicle Miles Traveled



Source: Federal Highway Administration

Figure 18 displays the moving 12-month total VMT in the United States from January 1971 to June 2014. As shown in the figure, the moving 12-month total VMT peaked in November 2007 at 3.038 trillion miles. (Note that VMT has increased in recent months but has yet to regain the peak observed in November 2007.)

Vehicle miles traveled by households and individuals have also decreased in recent years. The National Household Travel Survey (NHTS) tracks household travel patterns over time; the most recent survey occurred in 2009 and revealed that households and persons are traveling fewer miles than in the past. As shown in Table 1, both household VMT and person miles of travel increased from 1990 to 2000. From 2001 to 2009, however, both household VMT and person miles of traveled decreased by 1.30 percent and 1.35 percent, respectively.

Table 1: Annual Highway Travel Trends

Year	Household (millions)		Person (millions)	
	Vehicle Trips	VMT	Trips	Miles of Travel
1990	193,916	1,695,290	304,471	2,829,936
1995	229,745	2,068,368	378,930	3,411,122
2001	233,030	2,274,769	384,485	3,783,979
2009	233,849	2,245,111	392,023	3,732,791
'90 – '09 Change	20.59%	32.43%	28.76%	31.90%
'90 – '09 CAGR	0.99%	1.49%	1.34%	1.47%
'01 – '09 Change	0.35%	-1.30%	1.96%	-1.35%
'01 – '09 CAGR	0.04%	-0.16%	0.24%	-0.17%

Source: Federal Highway Administration, *2013 Status of the Nation's Highways, Bridges, and Transit: Conditions & Performance*

As shown in Table 2, average daily trips and average daily person miles traveled per person also declined from 2001 to 2009. The decrease in these two measures of highway travel occurred in almost all age groups and in both men and women. Interestingly, the most pronounced declines in trips and miles occurred in the 16 to 20 and 21 to 35 age cohorts. The Federal Highway Administration, in its biennial *Conditions & Performance* report to Congress cites a number of reasons why younger generations are traveling less, "including:

- High unemployment personal income constraints due to the recession limit resources for travel;
- Youth are still living at home with parents and sharing the family vehicle;
- Increases in driver's licensing restrictions have resulted in more youth waiting longer to get their licenses;
- Youth prefer to live in high-density areas where there are more modal options and shorter trip lengths;
- Technology influences travel and how youth get their information; and
- Youth concerns for the environment play a role in their environmental decisions."[2]

Table 2: Per Capita Daily Highway Travel Trends by Age and Sex

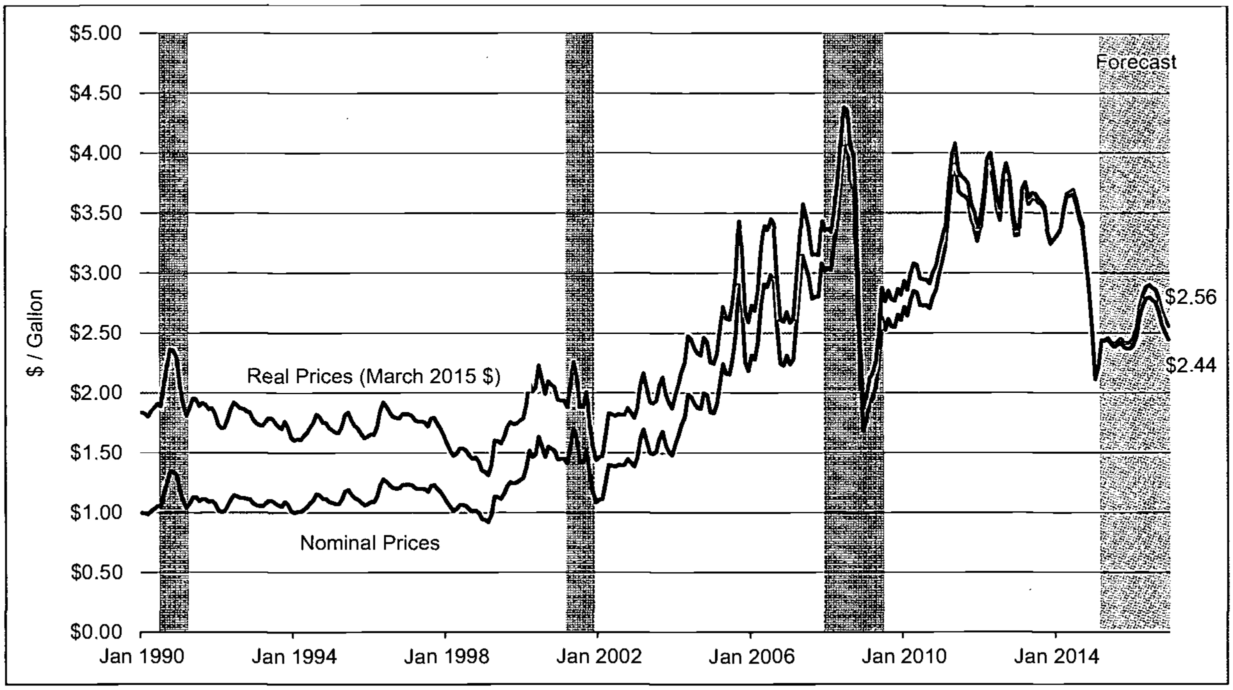
Age	Total			Men			Women		
	2001	2009	Change	2001	2009	Change	2001	2009	Change
Average Daily Person Trips per Person									
Under 16	3.4	3.2	-5.9%	3.5	3.2	-8.6%	3.4	3.2	-5.9%
16 to 20	4.1	3.5	-14.6%	4.0	3.3	-17.5%	4.2	3.7	-11.9%
21 to 35	4.3	3.9	-9.3%	4.2	3.7	-11.9%	4.5	4.1	-8.9%
36 to 65	4.5	4.2	-6.7%	4.4	4.1	-6.8%	4.5	4.3	-4.4%
Over 65	3.4	3.2	-5.9%	3.8	3.5	-7.9%	3.1	2.9	-6.5%
Average Daily Person Miles per Person									
Under 16	24.5	25.3	3.3%	24.6	27.2	10.6%	24.4	23.3	-4.5%
16 to 20	38.1	29.5	-22.6%	34.1	28.2	-17.3%	42.5	31.0	-27.1%
21 to 35	45.6	37.7	-17.3%	49.8	40.5	-18.7%	41.5	35.0	-15.7%
36 to 65	48.8	44.0	-9.8%	57.7	50.9	-11.8%	40.4	37.0	-8.4%
Over 65	27.5	24.0	-12.7%	32.9	30.5	-7.3%	23.5	19.3	-17.9%

Source: Federal Highway Administration, *2013 Status of the Nation's Highways, Bridges, and Transit: Conditions & Performance*

These trends may change, however, as the cost of driving on the nation's highways declines. Figure 19 displays the real and nominal retail prices for regular grade motor gasoline from January 1990 to November 2016 (forecast). As shown in the figure, prices (both real and nominal) increased substantially between the 2001 and 2007-2009 recessions, driving up the cost of motor vehicle travel in the United States. The 2007-2009 recession caused substantial downward pressure on retail prices as consumers cut back on gasoline and other purchases. While prices rebounded after the most recent recession, they are falling again, and are expected to stay low for the very near future.

[2] U.S. Department of Transportation, Federal Highway Administration, *2013 Status of the Nation's Highways, Bridges, and Transit: Conditions & Performance*, retrieved from https://www.fhwa.dot.gov/policy/2013cpr/chap1.htm on January 9, 2015.

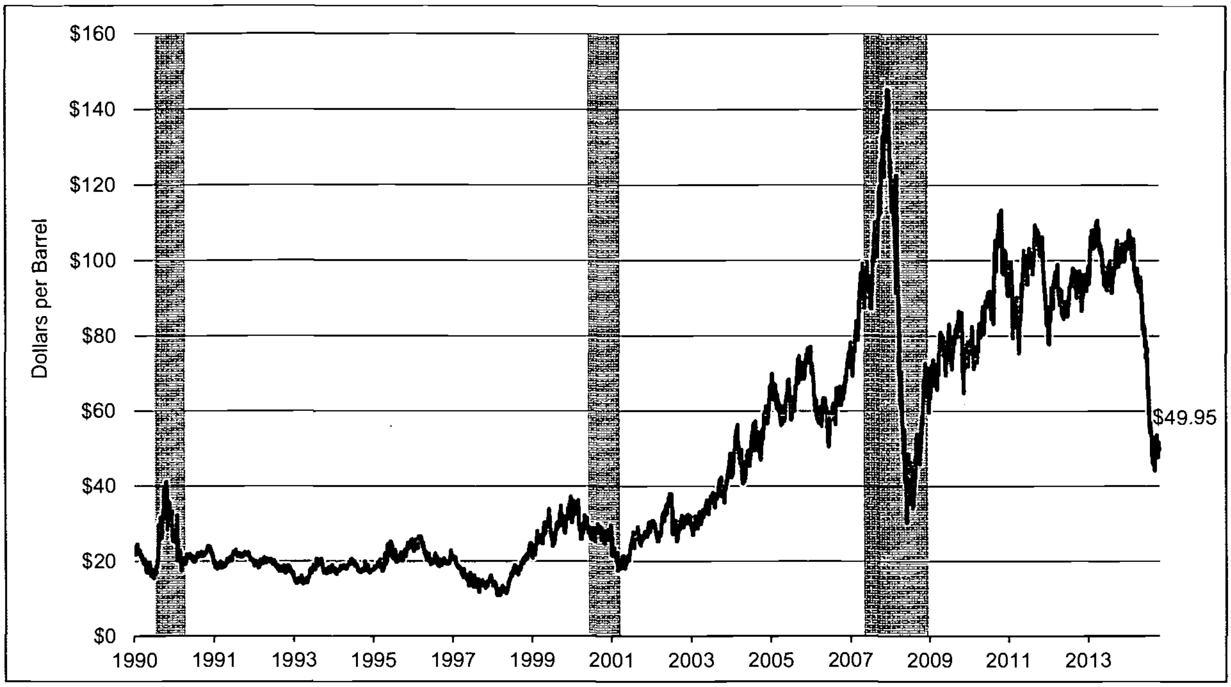
Figure 19: Motor Gasoline Regular Grade Retail Prices



Source: U.S. Energy Information Administration

Part of the decline in retail gasoline prices is due to the fall in the price of oil. As shown in Figure 20, the price of crude oil has fallen precipitously since the beginning of 2014, decreasing from $95.14 per barrel on January 2, 2014 to $49.95 per barrel on March 9, 2015, a decline of 47.5 percent. The price of oil is determined by the global market and many factors, including a relatively weak world economy, increases in efficiency, and an increase in oil substitutes have contributed to falling prices.

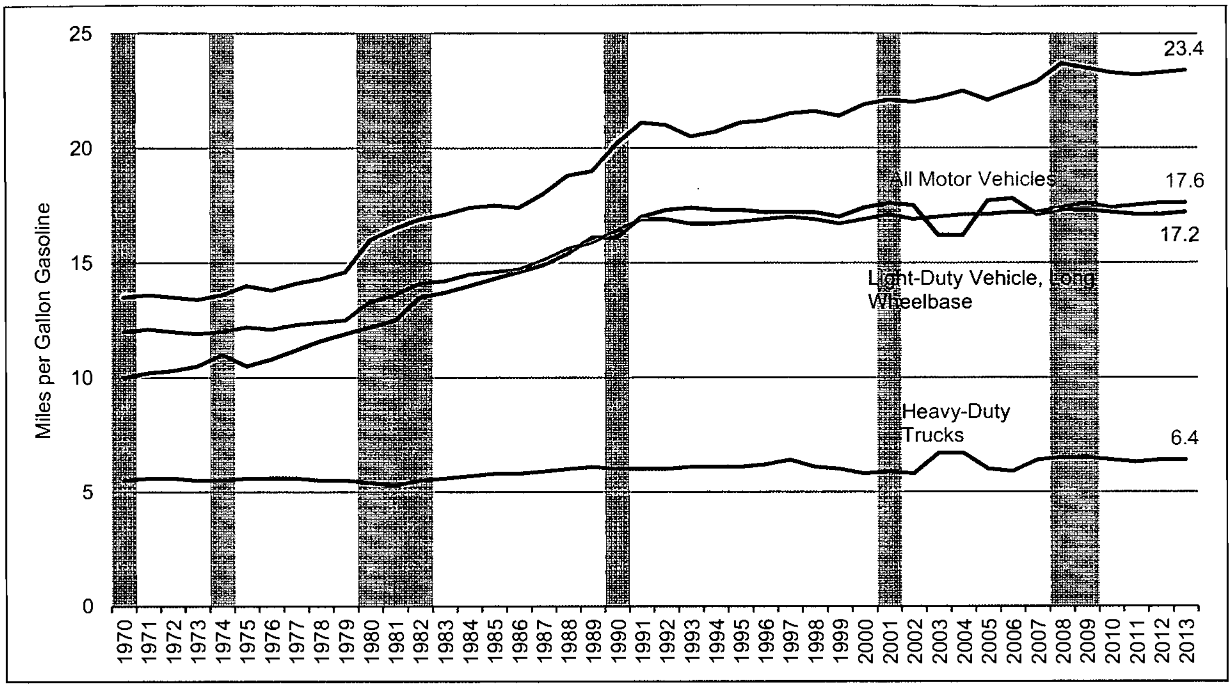
Figure 20: West Texas Intermediary Crude Oil Prices



Source: U.S. Energy Information Administration

Another factor driving down the cost of motor vehicle travel is the increase in vehicle fuel economy. Fuel economy for light duty vehicles in particular has increased significantly in the last four decades, driven in part by more stringent regulations and the emergence of more technologically advanced vehicles.

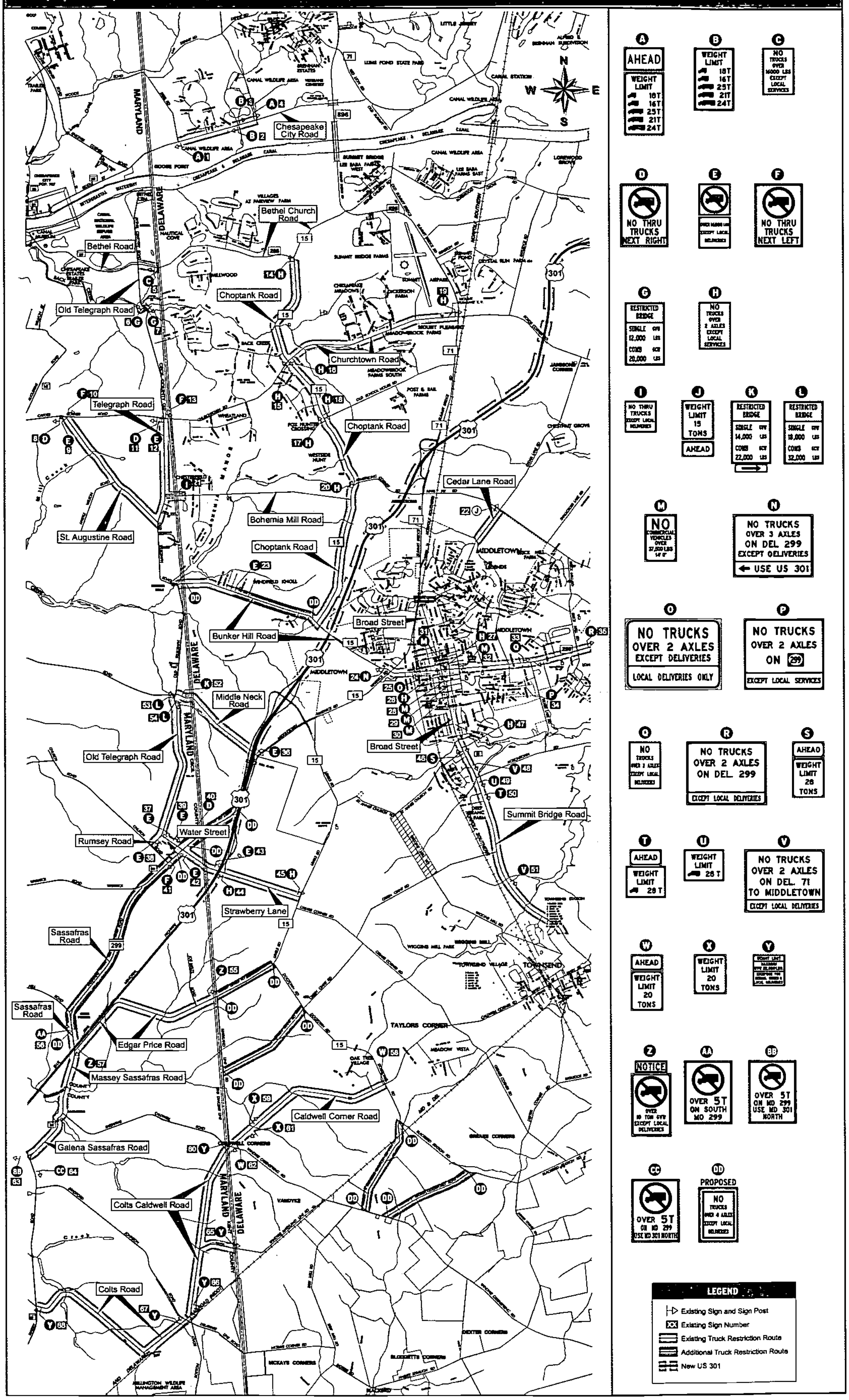
Figure 21: Motor Vehicle Fuel Economy



Source: U.S. Energy Information Administration

Appendix B: US 301 Truck Restrictions Map

US 301 TRUCK RESTRICTION SIGNAGE



Appendix C: Supplemental Count Data

Jacobs Engineering

1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: Confirm Count 1
US 301 just South of Strawberry Lane

Latitude: 0' 0.000 North
Longitude: 0' 0.000 Undefined

Northbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
07/29/13	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
01:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
02:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
03:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
04:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
05:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
06:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
07:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
08:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
09:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
10:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
11:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
12 PM	4	225	54	5	6	0	0	7	21	0	1	0	1	14	338
13:00	3	203	37	5	13	0	1	12	20	3	0	0	5	8	310
14:00	5	206	43	6	7	1	3	10	22	2	0	0	5	13	323
15:00	6	188	58	6	20	0	0	10	18	3	1	0	3	16	329
16:00	6	216	42	5	16	0	1	12	20	1	0	1	2	16	338
17:00	7	192	33	13	10	0	0	8	25	0	0	0	3	11	302
18:00	2	168	30	5	5	0	0	4	16	1	0	0	6	6	243
19:00	2	141	20	4	9	0	0	8	46	1	0	0	4	6	241
20:00	3	84	13	2	7	0	0	3	22	2	0	0	3	1	140
21:00	0	76	12	1	0	0	0	7	26	2	0	0	2	3	129
22:00	2	41	3	3	8	0	0	8	28	1	2	0	0	4	100
23:00	3	27	8	3	3	0	0	1	30	0	3	0	1	1	80
Total	43	1767	353	58	104	1	5	90	294	16	7	1	35	99	2873
Percent	1.5%	61.5%	12.3%	2.0%	3.6%	0.0%	0.2%	3.1%	10.2%	0.6%	0.2%	0.0%	1.2%	3.4%	
AM Peak															
Vol.															
PM Peak	17:00	12:00	15:00	17:00	15:00	14:00	14:00	13:00	19:00	13:00	23:00	16:00	18:00	15:00	
Vol.	7	225	58	13	20	1	3	12	46	3	3	1	6	16	

Jacobs Engineering

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Longitude: 0' 0.000 Undefined

Northbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
07/30/13	3	19	0	6	3	0	0	2	22	1	1	1	1	0	59
01:00	2	7	0	5	1	1	0	3	26	1	2	0	0	2	50
02:00	3	9	4	4	4	1	0	4	32	0	0	0	1	0	62
03:00	1	11	0	3	3	0	0	1	21	1	0	0	0	2	43
04:00	3	29	12	4	4	1	0	2	34	1	1	0	0	4	95
05:00	0	82	28	2	8	0	0	3	24	2	3	1	0	4	157
06:00	6	169	52	3	18	1	2	6	24	1	3	0	2	7	294
07:00	2	197	58	8	20	1	0	6	36	2	0	0	1	13	344
08:00	7	183	43	5	13	1	0	9	22	0	3	0	2	5	293
09:00	7	183	39	2	12	1	0	6	16	1	0	0	3	8	278
10:00	5	159	37	7	13	0	0	14	30	0	1	0	5	12	283
11:00	3	192	40	4	8	2	0	22	26	4	1	0	4	7	313
12 PM	1	207	40	5	10	0	0	9	23	3	2	0	5	10	315
13:00	8	142	40	8	24	0	0	11	19	3	2	0	1	7	265
14:00	2	183	41	2	12	1	0	15	23	0	0	1	2	13	295
15:00	10	184	53	6	25	1	0	15	23	2	1	0	6	15	341
16:00	8	210	48	6	11	2	0	14	27	1	0	1	4	12	344
17:00	5	240	54	6	10	0	1	11	27	1	0	1	3	16	375
18:00	5	172	34	2	9	0	0	13	29	2	0	2	6	12	286
19:00	5	126	29	5	12	0	0	4	32	2	0	1	3	4	223
20:00	5	93	20	3	3	3	0	2	45	1	1	0	3	6	185
21:00	5	75	4	8	8	1	0	8	35	2	1	0	4	6	157
22:00	2	48	8	3	0	0	0	1	36	2	2	2	1	1	106
23:00	5	18	4	2	1	3	0	3	26	1	3	0	0	2	68
Total	103	2938	688	109	232	20	3	184	658	34	27	10	57	168	5231
Percent	2.0%	56.2%	13.2%	2.1%	4.4%	0.4%	0.1%	3.5%	12.6%	0.6%	0.5%	0.2%	1.1%	3.2%	
AM Peak	08:00	07:00	07:00	07:00	07:00	11:00	06:00	11:00	07:00	11:00	05:00	00:00	10:00	07:00	
Vol.	7	197	58	8	20	2	2	22	36	4	3	1	5	13	
PM Peak	15:00	17:00	17:00	13:00	15:00	20:00	17:00	14:00	20:00	12:00	23:00	18:00	15:00	17:00	
Vol.	10	240	54	8	25	3	1	15	45	3	3	2	6	16	

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Longitude: 0' 0.000 Undefined

Northbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
07/31/13	1	20	3	6	2	0	0	4	31	1	0	1	0	0	69
01:00	1	7	0	8	2	0	0	1	30	1	2	0	0	0	52
02:00	0	7	0	7	2	0	0	0	31	1	1	0	0	0	49
03:00	3	5	4	4	5	0	0	3	37	0	0	0	0	0	61
04:00	5	21	7	4	6	2	0	2	29	0	0	0	2	1	79
05:00	4	85	27	4	11	2	1	3	26	1	5	1	0	3	173
06:00	7	159	56	0	19	0	0	5	21	0	3	0	0	2	272
07:00	6	194	43	3	22	0	0	6	30	0	0	2	4	7	317
08:00	4	187	40	7	19	0	0	13	38	1	1	0	3	7	320
09:00	4	198	40	3	22	0	0	13	28	0	1	0	2	10	321
10:00	4	182	44	4	13	0	0	9	31	3	0	0	3	14	307
11:00	4	189	55	3	20	0	1	9	32	3	2	1	7	9	335
12 PM	3	209	42	8	14	0	3	12	17	2	1	0	6	6	323
13:00	6	209	46	5	18	0	1	13	21	3	2	1	2	15	342
14:00	10	218	53	10	20	0	1	13	19	3	0	0	1	13	361
15:00	1	193	50	9	13	0	0	15	23	2	1	1	11	15	334
16:00	6	213	54	8	11	3	1	16	38	3	0	3	8	17	381
17:00	3	250	44	7	11	2	0	13	35	1	0	3	0	14	383
18:00	1	175	39	5	7	1	0	10	27	3	1	0	4	12	285
19:00	1	93	21	4	5	1	0	5	17	0	0	0	3	6	156
20:00	4	99	17	8	3	2	0	5	32	1	1	0	1	6	179
21:00	7	70	21	3	7	2	0	12	46	3	2	2	3	1	179
22:00	7	45	6	4	6	0	0	1	33	0	3	0	1	2	108
23:00	6	30	3	4	8	0	0	4	28	0	5	0	1	2	91
Total	98	3058	715	128	266	15	8	187	700	32	31	15	62	162	5477
Percent	1.8%	55.8%	13.1%	2.3%	4.9%	0.3%	0.1%	3.4%	12.8%	0.6%	0.6%	0.3%	1.1%	3.0%	
AM Peak	06:00	09:00	06:00	01:00	07:00	04:00	05:00	08:00	08:00	10:00	05:00	07:00	11:00	10:00	
Vol.	7	198	56	8	22	2	1	13	38	3	5	2	7	14	
PM Peak	14:00	17:00	16:00	14:00	14:00	16:00	12:00	16:00	21:00	13:00	23:00	16:00	15:00	16:00	
Vol.	10	250	54	10	20	3	3	16	46	3	5	3	11	17	

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West Chester, PA, 19380

Site Code: Confirm Count 1
US 301 just South of Strawberry Lane

Latitude: 0' 0.000 North
Longitude: 0' 0.000 Undefined

Northbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
08/01/13	2	14	2	8	1	2	0	6	30	1	0	0	1	0	67
01:00	3	12	3	13	3	0	0	1	34	1	1	0	1	0	72
02:00	2	12	3	5	2	0	0	2	35	0	0	0	0	1	62
03:00	7	10	5	5	8	1	0	5	43	1	0	0	0	2	87
04:00	0	27	13	1	2	0	0	5	31	0	2	0	0	0	81
05:00	11	67	21	9	14	6	0	4	22	0	1	1	0	3	159
06:00	6	176	43	6	17	0	0	8	40	0	0	0	4	14	314
07:00	8	205	51	8	19	0	0	12	49	0	0	0	4	15	371
08:00	8	202	50	8	16	0	0	10	44	0	0	0	4	15	357
09:00	8	188	53	8	17	0	0	9	40	0	0	0	4	12	339
10:00	7	189	52	7	16	0	0	10	40	0	0	0	4	15	340
11:00	8	195	52	8	17	0	0	11	48	0	0	0	4	16	359
12 PM	8	199	55	8	18	0	0	11	44	0	0	0	4	14	361
13:00	8	186	55	8	16	0	0	11	44	0	0	0	4	15	347
14:00	8	203	53	8	18	0	0	12	44	0	0	0	4	15	365
15:00	8	206	65	8	20	0	0	12	48	0	0	0	4	14	385
16:00	8	237	64	8	21	0	0	12	52	0	0	0	4	18	424
17:00	8	242	64	9	21	0	0	13	54	0	0	0	4	19	434
18:00	7	178	46	6	16	0	0	9	42	0	0	0	4	16	324
19:00	4	112	34	4	10	0	0	6	27	0	0	0	1	11	209
20:00	4	122	28	4	10	0	0	6	27	0	0	0	1	8	210
21:00	4	104	30	4	9	0	0	4	22	0	0	0	0	8	185
22:00	3	70	21	3	6	0	0	4	15	0	0	0	0	5	127
23:00	1	51	12	2	4	0	0	4	11	0	0	0	0	4	89
Total	141	3207	875	158	301	9	0	187	886	3	4	1	56	240	6068
Percent	2.3%	52.9%	14.4%	2.6%	5.0%	0.1%	0.0%	3.1%	14.6%	0.0%	0.1%	0.0%	0.9%	4.0%	
AM Peak	05:00	07:00	09:00	01:00	07:00	05:00		07:00	07:00	00:00	04:00	05:00	06:00	11:00	
Vol.	11	205	53	13	19	6		12	49	1	2	1	4	16	
PM Peak	12:00	17:00	15:00	17:00	16:00			17:00	17:00				12:00	17:00	
Vol.	8	242	65	9	21			13	54				4	19	

Jacobs Engineering

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Northbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
08/02/13	1	44	10	0	4	0	0	3	10	0	0	0	0	3	75
01:00	0	39	10	0	4	0	0	2	8	0	0	0	0	4	67
02:00	0	34	11	0	4	0	0	2	9	0	0	0	0	2	62
03:00	1	48	13	1	4	0	0	4	10	0	0	0	0	4	85
04:00	2	52	13	2	5	0	0	3	12	0	0	0	0	3	92
05:00	4	107	29	4	10	0	0	6	23	0	0	0	2	7	192
06:00	6	171	52	6	16	0	0	9	37	0	0	0	4	12	313
07:00	8	208	50	8	20	0	0	12	48	0	0	0	4	14	372
08:00	7	200	54	8	18	0	0	11	39	0	0	0	4	14	355
09:00	8	185	48	6	16	0	0	10	43	0	0	0	4	12	332
10:00	7	186	51	7	17	0	0	10	39	0	0	0	4	15	336
11:00	7	202	52	8	18	0	0	11	47	0	0	0	4	15	364
12 PM	8	199	55	8	16	0	0	11	46	0	0	0	4	14	361
13:00	7	196	57	7	16	0	0	10	41	0	0	0	4	11	349
14:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
15:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
16:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
17:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
18:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
19:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
20:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
21:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
22:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
23:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Total	66	1871	505	65	168	0	0	104	412	0	0	0	34	130	3355
Percent	2.0%	55.8%	15.1%	1.9%	5.0%	0.0%	0.0%	3.1%	12.3%	0.0%	0.0%	0.0%	1.0%	3.9%	
AM Peak	07:00	07:00	08:00	07:00	07:00			07:00	07:00				06:00	10:00	
Vol.	8	208	54	8	20			12	48				4	15	
PM Peak	12:00	12:00	13:00	12:00	12:00			12:00	12:00				12:00	12:00	
Vol.	8	199	57	8	16			11	46				4	14	
Grand Total	451	12841	3136	518	1071	45	16	752	2950	85	69	27	244	799	23004
Percent	2.0%	55.8%	13.6%	2.3%	4.7%	0.2%	0.1%	3.3%	12.8%	0.4%	0.3%	0.1%	1.1%	3.5%	

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Southbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
07/29/13	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
01:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
02:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
03:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
04:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
05:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
06:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
07:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
08:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
09:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
10:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
11:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
12 PM	7	187	43	7	18	0	0	9	41	0	0	0	4	15	331
13:00	8	208	55	8	18	0	0	12	51	0	0	0	4	15	379
14:00	8	191	47	8	16	0	0	9	40	0	0	0	4	13	336
15:00	7	189	53	8	17	0	0	9	41	0	0	0	4	13	341
16:00	8	188	50	7	16	0	0	10	40	0	0	0	4	16	339
17:00	8	203	53	8	18	0	0	12	50	0	0	0	4	15	371
18:00	8	198	57	8	17	0	0	11	44	0	0	0	4	15	362
19:00	8	185	55	8	16	0	0	11	43	0	0	0	4	15	345
20:00	8	207	57	8	19	0	0	12	46	0	0	0	4	14	375
21:00	8	206	59	8	20	0	0	12	48	0	0	0	4	14	379
22:00	8	244	68	8	21	0	0	12	53	0	0	0	4	20	438
23:00	8	235	62	9	20	0	0	13	53	0	0	0	4	18	422
Total	94	2441	659	95	216	0	0	132	550	0	0	0	48	183	4418
Percent	2.1%	55.3%	14.9%	2.2%	4.9%	0.0%	0.0%	3.0%	12.4%	0.0%	0.0%	0.0%	1.1%	4.1%	
AM Peak															
Vol.															
PM Peak	13:00	22:00	22:00	23:00	22:00			23:00	22:00				12:00	22:00	
Vol.	8	244	68	9	21			13	53				4	20	

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Southbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
07/30/13	6	158	43	5	15	0	0	8	38	0	0	0	4	15	292
01:00	4	107	30	4	9	0	0	5	25	0	0	0	0	10	194
02:00	4	121	28	4	11	0	0	6	26	0	0	0	1	8	209
03:00	4	100	29	4	8	0	0	4	21	0	0	0	0	7	177
04:00	3	62	19	3	5	0	0	4	14	0	0	0	0	5	115
05:00	1	53	12	1	4	0	0	4	11	0	0	0	0	4	90
06:00	0	38	9	0	4	0	0	3	9	0	0	0	0	3	66
07:00	0	37	10	0	4	0	0	1	8	0	0	0	0	3	63
08:00	0	38	12	0	4	0	0	3	9	0	0	0	0	3	69
09:00	1	43	12	1	4	0	0	3	9	0	0	0	0	3	76
10:00	3	65	16	3	6	0	0	4	15	0	0	0	0	4	116
11:00	4	129	33	4	12	0	0	7	27	0	0	0	3	8	227
12 PM	7	179	53	7	17	0	0	10	41	0	0	0	4	14	332
13:00	8	213	52	8	20	0	0	11	47	0	0	0	4	14	377
14:00	7	187	51	7	17	0	0	11	37	0	0	0	4	13	334
15:00	7	184	48	6	16	0	0	10	42	0	0	0	4	12	329
16:00	7	187	56	8	17	0	0	10	42	0	0	0	4	16	347
17:00	8	208	50	8	18	0	0	12	48	0	0	0	4	14	370
18:00	8	203	59	8	16	0	0	10	46	0	0	0	4	15	369
19:00	7	198	54	7	16	0	0	11	40	0	0	0	4	11	348
20:00	13	125	35	9	11	2	0	3	36	4	1	0	0	11	250
21:00	5	96	27	10	5	1	0	2	31	3	4	2	2	6	194
22:00	6	70	12	2	5	0	0	4	22	6	0	1	0	4	132
23:00	3	34	7	13	1	0	1	0	19	4	0	0	3	3	88
Total	116	2835	757	122	245	3	1	146	663	17	5	3	45	206	5164
Percent	2.2%	54.9%	14.7%	2.4%	4.7%	0.1%	0.0%	2.8%	12.8%	0.3%	0.1%	0.1%	0.9%	4.0%	
AM Peak	00:00	00:00	00:00	00:00	00:00			00:00	00:00				00:00	00:00	
Vol.	6	158	43	5	15			8	38				4	15	
PM Peak	20:00	13:00	18:00	23:00	13:00	20:00	23:00	17:00	17:00	22:00	21:00	21:00	12:00	16:00	
Vol.	13	213	59	13	20	2	1	12	48	6	4	2	4	16	

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Southbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
07/31/13	1	23	5	4	3	0	0	1	26	4	0	0	0	2	69
01:00	4	19	1	6	1	0	0	1	18	2	0	0	2	3	57
02:00	5	8	3	13	2	0	0	1	20	0	0	0	0	4	56
03:00	2	12	3	8	3	0	0	3	16	0	1	0	1	3	52
04:00	5	27	10	5	3	0	0	3	17	1	3	0	2	2	78
05:00	5	50	20	3	9	1	0	5	31	3	3	0	1	5	136
06:00	4	84	36	5	10	2	0	5	19	2	1	0	3	9	180
07:00	2	100	34	7	21	2	0	9	11	2	2	1	1	5	197
08:00	5	115	56	5	19	0	1	5	14	2	1	2	5	9	239
09:00	2	111	48	3	12	2	0	7	15	2	0	1	4	8	215
10:00	6	151	50	15	12	1	1	7	18	1	1	2	3	18	286
11:00	4	146	49	6	16	2	0	8	19	2	1	0	3	8	264
12 PM	3	155	45	11	5	2	0	7	32	4	0	1	2	10	277
13:00	5	170	60	9	18	2	0	12	21	1	1	0	4	8	311
14:00	7	169	63	13	17	2	1	10	25	3	2	0	5	15	332
15:00	8	201	62	17	9	1	3	4	37	1	0	0	3	17	363
16:00	7	222	70	8	23	1	2	14	33	2	2	0	3	22	409
17:00	7	236	69	8	20	3	1	8	26	3	1	1	9	18	410
18:00	8	169	64	13	13	1	0	9	31	2	0	0	5	14	329
19:00	11	145	49	7	10	2	0	9	35	4	0	0	4	9	285
20:00	6	129	31	6	6	0	0	2	31	1	2	1	1	6	222
21:00	4	105	22	6	5	0	0	4	39	5	4	3	4	3	204
22:00	5	76	27	10	3	2	0	4	26	2	0	0	1	4	160
23:00	4	45	14	7	3	1	0	1	20	3	0	0	1	3	102
Total	120	2668	891	195	243	27	9	139	580	52	25	12	67	205	5233
Percent	2.3%	51.0%	17.0%	3.7%	4.6%	0.5%	0.2%	2.7%	11.1%	1.0%	0.5%	0.2%	1.3%	3.9%	
AM Peak	10:00	10:00	08:00	10:00	07:00	06:00	08:00	07:00	05:00	00:00	04:00	08:00	08:00	10:00	
Vol.	6	151	56	15	21	2	1	9	31	4	3	2	5	18	
PM Peak	19:00	17:00	16:00	15:00	16:00	17:00	15:00	16:00	21:00	21:00	21:00	21:00	17:00	16:00	
Vol.	11	236	70	17	23	3	3	14	39	5	4	3	9	22	

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Southbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
08/01/13	6	28	5	7	5	0	0	1	25	8	0	0	0	6	91
01:00	4	14	3	2	0	1	0	1	26	3	0	0	0	3	57
02:00	5	9	2	15	4	0	0	2	20	2	0	1	0	4	64
03:00	3	8	5	8	4	1	0	2	19	2	0	0	0	2	54
04:00	4	41	16	6	7	2	0	1	19	1	1	0	0	2	100
05:00	0	64	20	0	7	4	0	0	13	0	0	0	0	6	114
06:00	0	66	20	0	7	4	0	0	17	0	0	0	0	6	120
07:00	0	75	21	0	8	4	0	0	17	0	0	0	0	5	130
08:00	0	90	25	2	8	4	0	1	21	0	0	0	0	8	159
09:00	0	83	23	1	8	4	0	2	19	0	0	0	0	7	147
10:00	0	115	33	4	10	4	2	4	23	0	0	0	0	9	204
11:00	3	138	39	4	15	5	4	4	31	0	0	0	0	11	254
12 PM	4	173	57	4	16	7	4	4	41	0	0	0	0	18	328
13:00	4	197	53	5	18	8	4	4	49	0	0	0	0	17	359
14:00	4	183	58	4	16	8	4	4	46	0	0	0	0	17	344
15:00	4	198	61	4	19	8	4	4	45	0	0	0	0	18	365
16:00	4	217	61	4	20	8	4	4	51	0	0	0	0	19	392
17:00	4	223	66	5	21	8	4	4	53	0	0	0	0	16	404
18:00	4	211	66	4	20	8	4	4	45	0	0	0	0	20	386
19:00	4	177	51	4	18	8	4	4	43	0	0	0	0	17	330
20:00	2	139	42	4	14	4	4	4	33	0	0	0	0	12	258
21:00	2	116	34	4	11	4	2	3	25	0	0	0	0	9	210
22:00	0	84	24	2	8	4	1	2	21	0	0	0	0	7	153
23:00	0	57	15	0	5	2	0	0	11	0	0	0	0	4	94
Total	61	2706	800	93	269	110	45	59	713	16	1	1	0	243	5117
Percent	1.2%	52.9%	15.6%	1.8%	5.3%	2.1%	0.9%	1.2%	13.9%	0.3%	0.0%	0.0%	0.0%	4.7%	
AM Peak	00:00	11:00	11:00	02:00	11:00	11:00	11:00	10:00	11:00	00:00	04:00	02:00		11:00	
Vol.	6	138	39	15	15	5	4	4	31	8	1	1		11	
PM Peak	12:00	17:00	17:00	13:00	17:00	13:00	12:00	12:00	17:00					18:00	
Vol.	4	223	66	5	21	8	4	4	53					20	

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Southbound

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08/02/13	0	48	15	0	5	1	0	0	10	0	0	0	0	4	83
01:00	0	33	10	0	4	0	0	0	7	0	0	0	0	3	57
02:00	0	34	11	0	4	0	0	0	8	0	0	0	0	3	60
03:00	0	31	10	0	4	0	0	0	7	0	0	0	0	4	56
04:00	0	53	15	0	5	2	0	0	11	0	0	0	0	4	90
05:00	0	62	20	0	7	4	0	0	13	0	0	0	0	6	112
06:00	0	70	18	2	8	4	0	0	16	0	0	0	0	7	125
07:00	0	76	21	1	8	4	0	0	18	0	0	0	0	6	134
08:00	0	86	28	2	8	4	0	2	17	0	0	0	0	7	154
09:00	0	87	22	3	8	4	0	1	20	0	0	0	0	7	152
10:00	2	115	35	4	10	4	3	3	30	0	0	0	0	11	217
11:00	4	140	35	4	14	6	4	4	33	0	0	0	0	11	255
12 PM	4	179	51	4	15	8	4	4	40	0	0	0	0	15	324
13:00	4	193	58	4	20	8	4	4	44	0	0	0	0	16	355
14:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
15:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
16:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
17:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
18:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
19:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
20:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
21:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
22:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
23:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Total	14	1207	349	24	120	49	15	18	274	0	0	0	0	104	2174
Percent	0.6%	55.5%	16.1%	1.1%	5.5%	2.3%	0.7%	0.8%	12.6%	0.0%	0.0%	0.0%	0.0%	4.8%	
AM Peak	11:00	11:00	10:00	10:00	11:00	11:00	11:00	11:00	11:00					10:00	
Vol.	4	140	35	4	14	6	4	4	33					11	
PM Peak	12:00	13:00	13:00	12:00	13:00	12:00	12:00	12:00	13:00					13:00	
Vol.	4	193	58	4	20	8	4	4	44					16	
Grand Total	405	11857	3456	529	1093	189	70	494	2780	85	31	16	160	941	22106
Percent	1.8%	53.6%	15.6%	2.4%	4.9%	0.9%	0.3%	2.2%	12.6%	0.4%	0.1%	0.1%	0.7%	4.3%	

Jacobs Engineering

1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: Confirm Count 2
US 301 just North of Bethel Church Rd

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
07/30/13	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
01:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
02:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
03:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
04:00	8	383	18	1	3	2	0	2	12	0	0	0	1	5	435
05:00	18	880	56	0	8	0	2	8	4	0	0	0	2	16	994
06:00	14	1244	28	0	10	9	0	7	15	1	0	1	2	27	1358
07:00	8	1027	30	2	10	10	0	3	15	0	1	1	1	22	1130
08:00	4	659	27	0	10	11	0	7	19	0	0	0	2	20	759
09:00	5	597	36	0	17	6	0	12	8	1	1	0	1	29	713
10:00	6	592	36	0	11	9	0	4	22	1	2	0	1	23	707
11:00	8	656	34	1	7	14	0	4	22	1	1	0	2	21	771
12 PM	7	647	31	0	19	11	0	6	19	0	0	0	1	25	766
13:00	6	657	45	0	15	9	0	5	15	0	0	0	2	22	776
14:00	12	724	34	1	17	7	0	10	18	0	0	0	2	31	856
15:00	11	835	40	1	6	11	2	8	21	1	1	1	1	31	970
16:00	10	910	26	2	10	2	0	5	18	1	0	0	2	21	1007
17:00	22	693	14	2	3	3	0	9	13	2	1	0	1	19	782
18:00	13	505	10	0	5	1	0	3	15	0	0	0	0	14	566
19:00	9	428	14	0	3	3	0	5	8	0	0	1	1	11	483
20:00	10	383	10	0	4	1	0	9	15	0	0	0	0	12	444
21:00	4	249	4	0	2	1	0	2	12	0	0	0	0	7	281
22:00	4	140	2	0	0	0	0	4	14	0	0	0	0	6	170
23:00	3	72	2	0	1	0	0	5	12	0	0	0	0	3	98
Total	182	12281	497	10	161	110	4	118	297	8	7	4	22	365	14066
Percent	1.3%	87.3%	3.5%	0.1%	1.1%	0.8%	0.0%	0.8%	2.1%	0.1%	0.0%	0.0%	0.2%	2.6%	
AM Peak	05:00	06:00	05:00	07:00	09:00	11:00	05:00	09:00	10:00	06:00	10:00	06:00	05:00	09:00	
Vol.	18	1244	56	2	17	14	2	12	22	1	2	1	2	29	
PM Peak	17:00	16:00	13:00	16:00	12:00	12:00	15:00	14:00	15:00	17:00	15:00	15:00	13:00	14:00	
Vol.	22	910	45	2	19	11	2	10	21	2	1	1	2	31	

Jacobs Engineering

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Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
07/31/13	3	46	0	0	9	0	0	0	11	0	0	0	0	3	72
01:00	0	27	3	0	4	0	0	2	7	0	0	0	0	7	50
02:00	1	45	1	0	9	1	0	4	11	0	0	0	0	10	82
03:00	2	159	3	0	6	1	0	5	13	0	0	0	0	7	196
04:00	9	469	24	1	4	7	1	2	13	0	0	0	0	10	540
05:00	11	862	38	0	9	6	1	9	13	1	0	1	3	25	979
06:00	14	1200	33	2	5	10	1	6	20	3	0	0	5	22	1321
07:00	10	1054	46	3	16	12	2	7	17	1	0	0	2	21	1191
08:00	9	662	21	0	10	15	1	7	20	0	0	1	4	24	774
09:00	6	633	28	0	11	11	0	2	19	1	0	0	3	17	731
10:00	12	633	18	0	11	12	0	9	25	0	0	0	4	24	748
11:00	7	636	25	0	11	8	0	12	16	1	2	0	0	26	744
12 PM	2	653	32	0	4	13	1	9	20	0	1	0	3	23	761
13:00	9	688	34	1	6	15	0	8	16	1	1	1	4	30	814
14:00	8	736	35	0	10	8	0	4	13	1	1	0	1	23	840
15:00	12	799	28	0	11	2	1	4	15	1	1	1	2	34	911
16:00	10	925	32	0	15	6	0	6	7	0	0	0	3	34	1038
17:00	17	718	29	1	6	2	1	7	18	0	0	0	0	23	822
18:00	14	520	11	1	5	0	0	8	12	0	0	0	0	15	586
19:00	11	446	17	0	3	1	0	6	14	0	0	0	0	16	514
20:00	6	383	9	0	4	2	0	2	17	1	0	0	1	10	435
21:00	4	290	1	0	3	0	0	4	11	0	0	0	1	8	322
22:00	4	157	3	0	1	4	0	5	16	1	0	0	0	6	197
23:00	4	87	3	0	3	3	0	3	10	0	0	0	0	6	119
Total	185	12828	474	9	176	139	9	131	354	12	6	4	36	424	14787
Percent	1.3%	86.8%	3.2%	0.1%	1.2%	0.9%	0.1%	0.9%	2.4%	0.1%	0.0%	0.0%	0.2%	2.9%	
AM Peak	06:00	06:00	07:00	07:00	07:00	08:00	07:00	11:00	10:00	06:00	11:00	05:00	06:00	11:00	
Vol.	14	1200	46	3	16	15	2	12	25	3	2	1	5	26	
PM Peak	17:00	16:00	14:00	13:00	16:00	13:00	12:00	12:00	12:00	13:00	12:00	13:00	13:00	15:00	
Vol.	17	925	35	1	15	15	1	9	20	1	1	1	4	34	

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Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/01/13	0	48	0	1	7	1	0	4	13	0	0	0	0	6	80
01:00	0	48	0	0	6	1	0	2	10	0	0	0	1	6	74
02:00	0	55	1	0	5	0	0	0	13	0	0	0	0	7	81
03:00	0	136	10	1	8	2	1	5	13	0	0	0	0	6	182
04:00	3	471	14	0	7	3	0	3	16	0	0	0	0	8	525
05:00	5	830	46	0	3	3	0	2	14	1	0	0	3	21	928
06:00	11	1237	33	1	4	9	1	5	17	1	0	2	5	28	1354
07:00	1	950	23	3	8	6	0	3	15	0	0	0	1	29	1039
08:00	6	656	30	0	16	10	2	11	13	0	1	0	2	28	775
09:00	2	632	24	0	11	12	1	5	16	3	0	0	2	14	722
10:00	3	604	27	1	12	9	0	6	21	1	0	0	0	18	702
11:00	5	609	24	1	14	7	0	10	22	0	1	0	1	19	713
12 PM	6	659	22	0	11	10	2	6	20	0	0	0	2	21	759
13:00	4	664	24	1	9	4	0	16	20	0	2	1	3	35	783
14:00	4	777	33	1	10	5	0	9	11	0	0	0	1	31	882
15:00	5	784	30	0	8	2	0	3	15	1	0	0	3	19	870
16:00	5	787	18	1	7	1	0	5	8	1	1	0	1	24	859
17:00	4	682	15	0	3	3	0	5	18	1	0	0	3	16	750
18:00	4	485	14	0	2	4	0	7	12	0	1	0	0	10	539
19:00	1	384	9	0	7	1	0	6	9	0	0	0	1	7	425
20:00	3	375	7	0	1	1	0	2	24	0	0	0	0	10	423
21:00	1	269	6	0	0	0	0	2	16	1	0	0	0	5	300
22:00	2	154	2	1	2	0	0	6	16	0	0	1	0	9	193
23:00	1	74	2	0	3	0	0	5	8	0	0	0	0	9	102
Total	76	12370	414	12	164	94	7	128	360	10	6	4	29	386	14060
Percent	0.5%	88.0%	2.9%	0.1%	1.2%	0.7%	0.0%	0.9%	2.6%	0.1%	0.0%	0.0%	0.2%	2.7%	
AM Peak	06:00	06:00	05:00	07:00	08:00	09:00	08:00	08:00	11:00	09:00	08:00	06:00	06:00	07:00	
Vol.	11	1237	46	3	16	12	2	11	22	3	1	2	5	29	
PM Peak	12:00	16:00	14:00	13:00	12:00	12:00	12:00	13:00	20:00	15:00	13:00	13:00	13:00	13:00	
Vol.	6	787	33	1	11	10	2	16	24	1	2	1	3	35	

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Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/02/13	0	46	2	0	8	0	0	2	9	0	0	0	0	2	69
01:00	0	34	1	0	4	0	0	0	15	0	0	0	0	1	55
02:00	0	54	1	0	8	1	0	1	18	0	0	0	0	2	85
03:00	2	134	4	0	8	2	0	6	11	0	0	0	0	7	174
04:00	5	403	18	0	6	2	0	2	7	1	0	0	0	8	452
05:00	5	799	44	0	6	1	0	6	7	0	0	1	2	23	894
06:00	16	1117	36	0	6	7	0	9	14	4	0	0	0	24	1233
07:00	9	958	27	0	12	4	1	5	13	3	0	0	1	22	1055
08:00	5	700	36	0	7	10	1	4	8	0	0	0	1	26	798
09:00	10	723	25	0	4	4	0	10	19	2	0	0	2	27	826
10:00	8	711	33	0	12	8	0	4	16	3	0	1	1	30	827
11:00	8	742	23	2	11	9	0	11	8	0	0	0	4	24	842
12 PM	10	722	47	0	8	7	1	5	21	1	3	0	1	36	862
13:00	15	716	32	1	6	5	0	4	14	0	0	0	1	27	821
14:00	11	829	30	0	10	10	0	8	17	0	0	0	3	40	958
15:00	10	868	23	0	6	9	0	5	13	1	1	0	2	32	970
16:00	9	852	28	0	3	6	0	3	14	0	0	0	2	28	945
17:00	10	787	24	1	3	3	0	6	6	0	3	0	2	28	873
18:00	13	646	19	0	3	2	0	1	5	1	0	0	1	13	704
19:00	5	539	13	1	4	0	0	5	3	0	0	0	0	15	585
20:00	10	447	9	2	3	0	0	1	9	0	0	0	2	9	492
21:00	5	376	6	0	2	1	0	1	6	0	0	0	0	6	403
22:00	6	295	8	5	1	0	0	5	8	0	0	0	1	10	339
23:00	3	156	2	1	3	0	0	1	4	1	0	0	0	6	177
Total	175	13654	491	13	144	91	3	105	265	17	7	2	26	446	15439
Percent	1.1%	88.4%	3.2%	0.1%	0.9%	0.6%	0.0%	0.7%	1.7%	0.1%	0.0%	0.0%	0.2%	2.9%	
AM Peak	06:00	06:00	05:00	11:00	07:00	08:00	07:00	11:00	09:00	06:00		05:00	11:00	10:00	
Vol.	16	1117	44	2	12	10	1	11	19	4		1	4	30	
PM Peak	13:00	15:00	12:00	22:00	14:00	14:00	12:00	14:00	12:00	12:00	12:00		14:00	14:00	
Vol.	15	868	47	5	10	10	1	8	21	1	3		3	40	

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Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/03/13	6	119	1	0	5	0	0	3	6	0	0	0	0	2	142
01:00	0	52	2	0	5	0	0	2	5	0	0	0	0	2	68
02:00	2	43	1	0	8	0	0	2	7	0	0	0	0	3	66
03:00	6	69	1	0	5	0	0	1	5	0	0	0	0	1	88
04:00	3	175	8	0	1	0	0	0	4	0	0	0	0	1	192
05:00	3	266	14	0	9	1	0	1	3	0	0	0	0	10	307
06:00	10	413	16	0	1	4	0	4	11	0	0	0	0	7	466
07:00	2	502	27	0	3	2	0	1	6	0	0	0	0	14	557
08:00	6	597	27	2	1	5	0	9	7	0	2	0	2	17	675
09:00	2	782	28	0	10	3	0	5	4	1	0	0	2	16	853
10:00	8	852	25	1	6	5	0	4	14	0	1	0	0	21	937
11:00	7	895	28	0	6	5	0	3	11	0	1	2	1	30	989
12 PM	13	846	27	0	5	3	1	3	3	0	0	0	0	30	931
13:00	13	885	24	1	6	3	0	6	8	1	0	0	4	26	977
14:00	16	790	22	0	3	2	0	3	10	1	1	0	1	17	866
15:00	7	796	11	0	2	3	0	1	8	1	2	1	2	12	846
16:00	5	788	17	0	6	0	0	1	7	0	1	0	0	15	840
17:00	4	729	13	0	1	0	1	3	9	0	0	0	1	13	774
18:00	6	620	17	0	0	1	0	2	3	0	1	0	0	11	661
19:00	4	567	8	0	2	1	0	1	8	1	0	0	0	10	602
20:00	7	496	11	0	2	4	0	3	4	0	1	0	0	9	537
21:00	7	409	7	1	1	2	0	2	7	0	1	0	0	5	442
22:00	1	303	6	0	1	1	0	1	8	1	0	0	0	4	326
23:00	5	166	3	0	0	0	0	3	4	0	0	0	0	5	186
Total	143	12160	344	5	89	45	2	64	162	6	11	3	13	281	13328
Percent	1.1%	91.2%	2.6%	0.0%	0.7%	0.3%	0.0%	0.5%	1.2%	0.0%	0.1%	0.0%	0.1%	2.1%	
AM Peak	06:00	11:00	09:00	08:00	09:00	08:00		08:00	10:00	09:00	08:00	11:00	08:00	11:00	
Vol.	10	895	28	2	10	5		9	14	1	2	2	2	30	
PM Peak	14:00	13:00	12:00	13:00	13:00	20:00	12:00	13:00	14:00	13:00	15:00	15:00	13:00	12:00	
Vol.	16	885	27	1	6	4	1	6	10	1	2	1	4	30	

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Northbound

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08/04/13	1	109	1	0	3	0	0	0	5	0	0	0	0	2	121
01:00	3	73	2	0	2	0	0	1	2	0	0	0	0	2	85
02:00	0	49	0	0	0	0	0	1	4	0	0	0	0	3	57
03:00	0	56	0	0	1	0	0	0	4	0	0	0	0	1	62
04:00	0	81	4	0	2	0	0	0	4	0	0	0	0	1	92
05:00	1	148	6	0	3	0	0	3	3	0	0	0	0	5	169
06:00	4	239	10	0	0	0	0	1	4	1	1	0	0	3	263
07:00	6	416	17	0	1	0	1	3	3	0	0	0	0	8	455
08:00	10	622	20	1	3	0	0	3	5	1	1	0	0	8	674
09:00	18	802	7	0	1	1	0	1	12	0	1	1	0	15	859
10:00	23	850	19	1	6	1	0	6	5	0	0	0	1	29	941
11:00	16	883	21	3	5	5	0	9	7	1	4	0	1	36	991
12 PM	20	921	23	1	1	4	0	3	4	0	0	0	1	24	1002
13:00	29	877	28	1	3	0	0	2	6	1	1	0	2	19	969
14:00	23	870	26	0	4	2	0	3	7	0	1	0	0	35	971
15:00	26	1003	23	2	1	2	1	2	8	0	0	0	1	31	1100
16:00	37	956	14	1	3	3	0	5	12	0	1	0	2	42	1076
17:00	16	880	14	1	3	2	0	4	6	1	2	0	0	34	963
18:00	20	785	23	2	5	2	0	5	10	0	2	0	1	29	884
19:00	17	791	18	1	0	2	0	3	13	0	0	0	3	19	867
20:00	11	575	20	1	5	1	0	3	5	1	0	0	1	11	634
21:00	8	401	6	0	1	0	0	4	15	2	0	0	0	4	441
22:00	0	201	0	0	2	0	0	1	8	0	0	0	1	4	217
23:00	1	87	2	1	4	0	0	3	11	0	0	0	0	9	118
Total	290	12675	304	16	59	25	2	66	163	8	14	1	14	374	14011
Percent	2.1%	90.5%	2.2%	0.1%	0.4%	0.2%	0.0%	0.5%	1.2%	0.1%	0.1%	0.0%	0.1%	2.7%	
AM Peak	10:00	11:00	11:00	11:00	10:00	11:00	07:00	11:00	09:00	06:00	11:00	09:00	10:00	11:00	
Vol.	23	883	21	3	6	5	1	9	12	1	4	1	1	36	
PM Peak	16:00	15:00	13:00	15:00	18:00	12:00	15:00	16:00	21:00	21:00	17:00		19:00	16:00	
Vol.	37	1003	28	2	5	4	1	5	15	2	2		3	42	

Jacobs Engineering

1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: Confirm Count 2
US 301 just North of Bethel Church Rd

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/05/13	0	41	1	0	9	1	0	4	16	0	0	0	0	7	79
01:00	0	37	1	0	5	0	0	1	11	0	0	0	0	3	58
02:00	1	54	1	0	9	1	0	5	16	0	0	0	0	3	90
03:00	4	134	10	2	9	1	0	4	8	0	0	0	0	5	177
04:00	9	438	20	0	4	2	0	3	21	1	0	0	1	10	509
05:00	8	892	45	0	5	6	0	4	13	2	1	0	0	19	995
06:00	13	1229	44	0	5	7	1	9	13	1	0	1	3	31	1357
07:00	4	963	31	1	8	12	0	3	19	0	1	1	6	19	1068
08:00	2	690	40	0	5	12	0	5	20	1	0	0	3	20	798
09:00	7	661	22	0	8	14	1	6	20	0	0	1	2	20	762
10:00	7	640	28	0	14	6	0	4	23	0	0	0	2	29	753
11:00	4	668	30	1	8	10	1	7	21	1	1	1	3	35	791
12 PM	7	703	23	1	8	11	1	9	21	1	2	1	0	19	807
13:00	14	695	23	0	6	17	0	4	10	0	0	2	3	26	800
14:00	15	790	32	0	5	6	0	10	16	1	0	1	2	34	912
15:00	7	518	22	1	6	4	0	4	6	0	1	0	2	218	789
16:00	0	0	1	0	0	0	0	0	0	0	0	0	0	657	658
17:00	0	0	1	0	1	0	0	0	0	0	0	0	0	523	525
18:00	0	0	0	0	0	0	0	0	0	0	0	0	0	425	425
19:00	0	0	0	0	0	0	0	0	0	0	0	0	0	422	422
20:00	0	0	0	0	1	0	0	0	0	0	0	0	0	348	349
21:00	0	0	0	0	0	0	0	0	0	0	0	0	0	263	263
22:00	0	0	0	0	0	0	0	0	0	0	0	0	0	144	144
23:00	0	0	0	0	0	0	0	0	0	0	0	0	0	75	75
Total	102	9153	375	6	116	110	4	82	254	8	6	8	27	3355	13606
Percent	0.7%	67.3%	2.8%	0.0%	0.9%	0.8%	0.0%	0.6%	1.9%	0.1%	0.0%	0.1%	0.2%	24.7%	
AM Peak	06:00	06:00	05:00	03:00	10:00	09:00	06:00	06:00	10:00	05:00	05:00	06:00	07:00	11:00	
Vol.	13	1229	45	2	14	14	1	9	23	2	1	1	6	35	
PM Peak	14:00	14:00	14:00	12:00	12:00	13:00	12:00	14:00	12:00	12:00	12:00	13:00	13:00	16:00	
Vol.	15	790	32	1	8	17	1	10	21	1	2	2	3	657	

Jacobs Engineering

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West Chester, PA, 19380

Site Code: Confirm Count 2
US 301 just North of Bethel Church Rd

Latitude: 0' 0.000 Undefined
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Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/06/13	0	0	0	0	0	0	0	0	0	0	0	0	0	57	57
01:00	0	0	0	0	0	0	0	0	0	0	0	0	0	45	45
02:00	0	0	0	0	0	0	0	0	0	0	0	0	0	70	70
03:00	0	0	0	0	0	0	0	0	0	0	0	0	0	159	159
04:00	0	0	0	0	0	0	0	0	0	0	0	0	0	156	156
05:00	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
06:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
07:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
08:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
09:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
10:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
11:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
12 PM	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
13:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
14:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
15:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
16:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
17:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
18:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
19:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
20:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
21:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
22:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
23:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	488	488
Percent	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
AM Peak														03:00	
Vol.														159	
PM Peak															
Vol.															
Grand Total	1153	85121	2899	71	909	614	31	694	1855	69	57	26	167	6119	99785
Percent	1.2%	85.3%	2.9%	0.1%	0.9%	0.6%	0.0%	0.7%	1.9%	0.1%	0.1%	0.0%	0.2%	6.1%	

Jacobs Engineering

1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: Confirm Count 2
US 301 just North of Bethel Church Rd

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
07/30/13	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
01:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
02:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
03:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
04:00	4	151	19	0	3	1	0	5	10	3	1	0	0	10	207
05:00	8	436	39	1	9	11	3	6	18	1	0	0	0	27	559
06:00	10	568	56	2	12	9	6	9	17	5	1	0	2	31	728
07:00	7	501	56	1	19	8	8	10	14	0	0	0	2	36	662
08:00	6	541	46	4	18	5	3	13	13	0	1	0	3	40	693
09:00	11	540	50	1	13	7	3	8	15	2	0	0	2	29	681
10:00	16	524	49	3	14	8	2	11	18	3	0	0	3	27	678
11:00	12	582	44	3	18	6	4	14	17	1	0	0	2	48	751
12 PM	6	601	51	3	23	10	7	16	19	4	1	1	0	51	793
13:00	21	711	62	5	18	13	10	9	13	1	1	0	2	61	927
14:00	16	860	82	4	19	13	6	20	19	2	0	0	1	61	1103
15:00	26	1126	69	2	15	9	1	7	16	0	0	0	5	90	1366
16:00	31	1275	64	2	12	6	1	16	10	2	2	2	4	71	1498
17:00	22	872	53	1	9	5	1	9	14	2	0	1	3	48	1040
18:00	12	597	36	2	15	1	0	9	12	1	1	0	3	49	738
19:00	11	538	23	1	13	6	0	3	15	0	0	0	2	36	648
20:00	11	408	28	2	5	1	0	6	10	0	0	0	2	20	493
21:00	8	280	10	0	11	4	0	8	14	0	0	0	1	23	359
22:00	5	172	6	0	10	3	0	3	7	0	0	0	0	14	220
23:00	4	109	3	1	4	0	0	5	12	2	0	0	0	12	152
Total	247	11392	846	38	260	126	55	187	283	29	8	4	37	784	14296
Percent	1.7%	79.7%	5.9%	0.3%	1.8%	0.9%	0.4%	1.3%	2.0%	0.2%	0.1%	0.0%	0.3%	5.5%	
AM Peak	10:00	11:00	06:00	08:00	07:00	05:00	07:00	11:00	05:00	06:00	04:00		08:00	11:00	
Vol.	16	582	56	4	19	11	8	14	18	5	1		3	48	
PM Peak	16:00	16:00	14:00	13:00	12:00	13:00	13:00	14:00	12:00	12:00	16:00	16:00	15:00	15:00	
Vol.	31	1275	82	5	23	13	10	20	19	4	2	2	5	90	

Jacobs Engineering
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West Chester, PA, 19380

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Latitude: 0' 0.000 Undefined
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Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
07/31/13	3	61	5	0	5	1	0	4	9	0	0	0	0	11	99
01:00	3	50	1	0	6	2	0	2	8	0	0	0	0	8	80
02:00	1	25	1	0	2	0	0	3	5	0	0	0	0	7	44
03:00	3	69	5	0	11	1	0	2	11	0	1	0	1	10	114
04:00	3	135	15	1	7	6	0	7	12	0	0	0	2	17	205
05:00	10	442	45	2	13	9	1	6	18	2	2	1	0	35	586
06:00	10	565	52	6	23	11	5	6	12	1	0	0	0	44	735
07:00	14	537	46	3	16	14	5	11	7	1	0	1	6	46	707
08:00	11	534	51	3	14	6	2	8	17	2	2	0	4	44	698
09:00	8	506	51	2	14	7	8	8	17	1	0	0	5	37	664
10:00	7	575	59	1	16	7	8	13	20	0	0	0	0	51	757
11:00	16	562	67	1	14	12	3	9	16	1	2	0	2	48	753
12 PM	13	580	54	1	11	11	6	4	14	2	3	0	4	42	745
13:00	10	669	49	2	16	11	4	13	28	0	0	0	3	41	846
14:00	17	842	87	4	18	10	5	10	22	0	1	0	4	87	1107
15:00	28	1145	87	1	14	3	0	19	14	1	1	0	5	106	1424
16:00	21	1273	82	1	10	10	0	9	14	1	0	2	6	80	1509
17:00	19	925	53	0	12	1	1	17	13	2	1	0	4	68	1116
18:00	8	647	56	1	5	3	0	12	13	2	0	0	1	43	791
19:00	10	576	25	1	7	2	0	8	11	1	0	0	3	35	679
20:00	9	439	25	1	8	3	3	6	10	1	1	1	1	31	539
21:00	11	334	20	0	12	1	0	7	5	2	0	0	1	30	423
22:00	2	195	7	9	11	1	0	5	15	1	0	0	1	28	275
23:00	0	133	5	2	6	1	1	7	15	0	0	0	0	16	186
Total	237	11819	948	42	271	133	52	196	326	21	14	5	53	965	15082
Percent	1.6%	78.4%	6.3%	0.3%	1.8%	0.9%	0.3%	1.3%	2.2%	0.1%	0.1%	0.0%	0.4%	6.4%	
AM Peak	11:00	10:00	11:00	06:00	06:00	07:00	09:00	10:00	10:00	05:00	05:00	05:00	07:00	10:00	
Vol.	16	575	67	6	23	14	8	13	20	2	2	1	6	51	
PM Peak	15:00	16:00	14:00	22:00	14:00	12:00	12:00	15:00	13:00	12:00	12:00	16:00	16:00	15:00	
Vol.	28	1273	87	9	18	11	6	19	28	2	3	2	6	106	

Jacobs Engineering

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Latitude: 0' 0.000 Undefined
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Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/01/13	2	60	2	1	4	0	3	3	10	1	0	0	0	11	97
01:00	0	38	3	0	4	2	1	3	5	0	0	0	1	6	63
02:00	0	35	3	0	2	1	0	1	14	0	0	0	0	8	64
03:00	2	76	9	1	2	0	0	1	9	0	2	0	0	6	108
04:00	1	139	13	1	8	4	0	3	8	0	0	0	0	9	186
05:00	4	383	40	1	7	3	3	9	13	1	0	0	0	25	489
06:00	5	533	55	2	9	4	4	9	11	0	1	0	0	37	670
07:00	4	445	46	1	14	9	1	13	11	0	0	0	2	25	571
08:00	6	458	43	1	14	2	3	16	8	0	0	0	5	27	583
09:00	9	513	46	0	13	10	2	9	11	1	0	0	1	35	650
10:00	6	600	48	4	12	5	4	13	6	2	0	1	1	38	740
11:00	7	548	42	5	11	12	3	13	14	0	0	0	0	52	707
12 PM	10	648	61	2	9	8	5	12	16	0	1	0	3	54	829
13:00	10	726	56	0	20	7	3	11	14	3	2	0	2	56	910
14:00	18	893	73	3	21	3	2	20	24	4	1	0	2	56	1120
15:00	12	1138	81	3	15	7	1	14	13	1	0	0	3	102	1390
16:00	12	1279	66	2	17	6	2	10	13	3	1	2	3	83	1499
17:00	13	923	53	0	12	4	1	8	11	0	3	1	4	48	1081
18:00	14	741	48	0	5	6	0	8	16	1	1	0	0	42	882
19:00	5	600	36	1	4	2	0	12	17	3	0	0	0	28	708
20:00	7	482	21	0	7	0	1	5	8	1	2	0	2	26	562
21:00	6	335	15	0	7	3	0	5	19	0	0	0	0	20	410
22:00	4	204	7	0	17	1	1	4	11	0	0	0	1	13	263
23:00	3	117	9	0	8	0	0	3	14	2	0	0	1	10	167
Total	160	11914	876	28	242	99	40	205	296	23	14	4	31	817	14749
Percent	1.1%	80.8%	5.9%	0.2%	1.6%	0.7%	0.3%	1.4%	2.0%	0.2%	0.1%	0.0%	0.2%	5.5%	
AM Peak	09:00	10:00	06:00	11:00	07:00	11:00	06:00	08:00	02:00	10:00	03:00	10:00	08:00	11:00	
Vol.	9	600	55	5	14	12	4	16	14	2	2	1	5	52	
PM Peak	14:00	16:00	15:00	14:00	14:00	12:00	12:00	14:00	14:00	14:00	17:00	16:00	17:00	15:00	
Vol.	18	1279	81	3	21	8	5	20	24	4	3	2	4	102	

Jacobs Engineering
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Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/02/13	2	84	4	0	4	1	0	3	6	0	0	0	0	7	111
01:00	1	44	7	1	6	0	0	3	5	0	0	0	0	8	75
02:00	0	34	3	0	2	0	0	5	8	0	0	0	0	7	59
03:00	1	79	12	1	6	0	0	4	9	0	1	0	0	11	124
04:00	3	133	25	1	5	1	0	4	7	1	0	0	0	10	190
05:00	13	416	39	2	12	6	0	9	13	0	3	1	0	34	548
06:00	8	579	50	0	12	6	1	10	19	1	1	1	0	37	725
07:00	12	588	44	1	18	10	2	12	10	1	1	0	1	45	745
08:00	12	657	67	2	15	6	0	8	12	2	0	0	1	56	838
09:00	11	743	64	3	13	7	3	7	18	2	1	1	2	49	924
10:00	15	752	55	0	17	8	0	16	17	1	1	0	2	72	956
11:00	24	800	53	1	17	9	1	11	14	2	1	0	0	67	1000
12 PM	22	859	67	2	12	3	3	13	16	1	1	0	1	57	1057
13:00	19	935	68	4	18	9	3	9	20	3	3	0	3	71	1165
14:00	11	766	63	1	21	3	1	10	19	1	0	1	1	45	943
15:00	25	1084	59	2	14	4	2	13	8	5	0	1	2	67	1286
16:00	15	1307	73	2	14	4	1	16	14	1	0	0	1	98	1546
17:00	23	1146	52	1	14	6	0	10	22	3	1	0	4	81	1363
18:00	18	906	49	2	10	4	1	11	14	1	0	1	2	50	1069
19:00	10	682	32	2	11	3	0	10	13	1	0	0	3	39	806
20:00	6	545	29	0	7	3	0	9	14	2	0	1	2	23	641
21:00	5	460	21	0	10	2	0	8	13	0	0	0	1	33	553
22:00	7	271	16	0	8	2	0	2	9	1	0	0	0	14	330
23:00	6	191	9	1	5	1	0	3	9	1	0	0	0	7	233
Total	269	14061	961	29	271	98	18	206	309	30	14	7	26	988	17287
Percent	1.6%	81.3%	5.6%	0.2%	1.6%	0.6%	0.1%	1.2%	1.8%	0.2%	0.1%	0.0%	0.2%	5.7%	
AM Peak	11:00	11:00	08:00	09:00	07:00	07:00	09:00	10:00	06:00	08:00	05:00	05:00	09:00	10:00	
Vol.	24	800	67	3	18	10	3	16	19	2	3	1	2	72	
PM Peak	15:00	16:00	16:00	13:00	14:00	13:00	12:00	16:00	17:00	15:00	13:00	14:00	17:00	16:00	
Vol.	25	1307	73	4	21	9	3	16	22	5	3	1	4	98	

Jacobs Engineering

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Latitude: 0' 0.000 Undefined
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Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/03/13	2	121	3	0	5	1	0	4	7	0	0	0	0	10	153
01:00	1	84	9	1	3	0	0	4	4	0	0	0	0	6	112
02:00	1	73	7	0	1	0	0	2	7	0	0	0	0	6	97
03:00	0	73	8	0	3	1	0	9	6	0	0	0	0	11	111
04:00	1	113	10	1	5	1	0	3	7	1	0	0	0	4	146
05:00	7	324	38	1	5	3	0	3	8	1	1	0	0	11	402
06:00	7	462	43	0	7	2	0	4	7	1	0	0	2	17	552
07:00	20	613	49	0	3	1	1	10	7	3	0	0	2	29	738
08:00	15	719	47	1	9	4	2	8	10	0	1	0	2	39	857
09:00	12	809	51	1	8	6	1	10	9	0	2	0	1	45	955
10:00	11	880	63	0	13	7	2	11	11	0	2	0	2	64	1066
11:00	15	942	73	0	13	9	2	10	11	0	1	0	0	61	1137
12 PM	20	867	49	1	11	4	1	7	9	4	1	0	2	48	1024
13:00	18	843	47	1	14	4	0	6	6	0	1	1	1	39	981
14:00	14	793	43	1	6	2	1	12	7	2	2	1	0	29	913
15:00	6	788	44	0	7	3	0	4	13	0	0	0	2	32	899
16:00	4	725	31	0	7	4	0	4	5	0	0	0	1	31	812
17:00	2	653	42	0	7	6	0	6	5	2	0	0	1	32	756
18:00	9	580	32	1	1	1	1	4	7	3	0	0	0	27	666
19:00	1	523	30	1	3	4	0	4	9	0	1	0	1	21	598
20:00	4	423	20	3	3	5	0	5	9	0	0	0	0	24	496
21:00	6	405	15	1	4	2	0	2	2	0	0	0	0	13	450
22:00	4	272	13	0	1	0	0	5	3	0	0	0	0	14	312
23:00	3	192	11	0	6	2	0	4	1	1	0	0	0	9	229
Total	183	12277	778	14	145	72	11	141	170	18	12	2	17	622	14462
Percent	1.3%	84.9%	5.4%	0.1%	1.0%	0.5%	0.1%	1.0%	1.2%	0.1%	0.1%	0.0%	0.1%	4.3%	
AM Peak	07:00	11:00	11:00	01:00	10:00	11:00	08:00	10:00	10:00	07:00	09:00		06:00	10:00	
Vol.	20	942	73	1	13	9	2	11	11	3	2		2	64	
PM Peak	12:00	12:00	12:00	20:00	13:00	17:00	12:00	14:00	15:00	12:00	14:00	13:00	12:00	12:00	
Vol.	20	867	49	3	14	6	1	12	13	4	2	1	2	48	

Jacobs Engineering

1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: Confirm Count 2
US 301 just North of Bethel Church Rd

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/04/13	1	123	5	0	1	1	0	0	2	0	0	0	0	3	136
01:00	0	80	4	0	0	0	0	1	2	0	0	0	0	0	87
02:00	2	49	6	0	1	0	0	1	6	0	1	0	0	2	68
03:00	2	47	6	0	2	0	0	2	1	0	0	0	0	5	65
04:00	2	81	5	0	2	1	0	2	6	1	0	0	0	4	104
05:00	2	195	17	0	1	0	0	1	2	0	0	0	0	7	225
06:00	3	238	19	1	5	0	0	2	4	0	0	0	1	8	281
07:00	6	338	21	0	9	1	0	1	7	1	1	0	0	23	408
08:00	23	502	30	0	5	5	0	5	5	1	1	0	0	30	607
09:00	22	682	50	1	5	2	1	6	2	1	0	0	0	32	804
10:00	27	708	25	0	6	3	0	5	5	0	2	0	1	29	811
11:00	20	757	43	0	4	4	0	12	6	1	0	1	2	52	902
12 PM	30	773	40	2	2	3	0	8	9	0	0	0	2	44	913
13:00	24	728	44	2	9	7	1	6	4	1	3	0	1	46	876
14:00	34	771	40	2	10	2	0	5	7	0	1	0	0	42	914
15:00	23	711	30	1	2	5	0	7	4	0	0	0	1	45	829
16:00	24	644	32	0	6	3	0	4	3	0	0	0	1	28	745
17:00	17	577	29	1	2	2	0	5	9	0	1	0	0	25	668
18:00	21	520	29	0	1	1	0	4	10	1	1	0	0	22	610
19:00	9	520	21	2	2	4	1	3	5	0	0	0	0	23	590
20:00	9	335	19	1	6	1	0	4	3	0	0	0	0	14	392
21:00	6	254	18	0	2	1	0	2	7	0	0	0	0	16	306
22:00	8	165	9	1	7	0	0	2	6	0	0	0	0	10	208
23:00	1	118	4	1	4	1	0	2	5	0	0	0	0	7	143
Total	316	9916	546	15	94	47	3	90	120	7	11	1	9	517	11692
Percent	2.7%	84.8%	4.7%	0.1%	0.8%	0.4%	0.0%	0.8%	1.0%	0.1%	0.1%	0.0%	0.1%	4.4%	
AM Peak	10:00	11:00	09:00	06:00	07:00	08:00	09:00	11:00	07:00	04:00	10:00	11:00	11:00	11:00	
Vol.	27	757	50	1	9	5	1	12	7	1	2	1	2	52	
PM Peak	14:00	12:00	13:00	12:00	14:00	13:00	13:00	12:00	18:00	13:00	13:00		12:00	13:00	
Vol.	34	773	44	2	10	7	1	8	10	1	3		2	46	

Jacobs Engineering

1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: Confirm Count 2
US 301 just North of Bethel Church Rd

Latitude: 0' 0.000 Undefined
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Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/05/13	1	66	4	0	3	1	0	2	6	0	0	0	0	4	87
01:00	0	40	2	0	2	0	0	1	7	0	0	0	0	3	55
02:00	0	32	3	0	0	0	0	1	5	0	0	0	0	3	44
03:00	1	75	4	0	1	1	0	4	3	0	0	0	0	4	93
04:00	2	160	23	1	7	2	0	2	10	1	1	0	0	12	221
05:00	7	455	46	1	12	1	2	3	9	0	0	0	0	26	562
06:00	7	563	61	0	13	4	2	8	11	4	2	0	1	36	712
07:00	10	500	53	1	13	7	8	9	9	1	1	0	0	52	664
08:00	17	557	52	3	7	3	4	6	13	1	0	0	2	33	698
09:00	9	580	53	3	12	8	6	8	10	1	0	0	1	30	721
10:00	9	666	51	2	7	6	3	8	18	1	0	0	1	26	798
11:00	16	616	64	1	18	4	11	11	23	2	0	1	1	49	817
12 PM	21	556	35	2	13	8	10	13	14	1	2	0	0	52	727
13:00	21	654	60	2	10	9	5	8	15	4	0	0	4	38	830
14:00	19	875	79	2	16	8	6	7	14	2	1	0	2	62	1093
15:00	24	1112	79	2	11	8	3	11	15	1	0	2	4	82	1354
16:00	22	1284	84	0	15	5	3	15	15	2	3	0	3	80	1531
17:00	13	872	66	0	18	4	0	5	19	1	0	0	3	58	1059
18:00	14	562	36	0	6	3	0	7	13	0	1	0	1	40	683
19:00	11	432	26	2	9	4	0	4	7	3	0	0	1	34	533
20:00	4	371	23	0	14	3	0	6	13	0	0	0	3	45	482
21:00	6	275	8	2	5	1	0	8	11	2	0	0	2	24	344
22:00	8	156	8	0	8	0	0	5	8	0	0	0	0	14	207
23:00	2	81	4	1	10	3	0	3	10	0	0	0	0	6	120
Total	244	11540	924	25	230	93	63	155	278	27	11	3	29	813	14435
Percent	1.7%	79.9%	6.4%	0.2%	1.6%	0.6%	0.4%	1.1%	1.9%	0.2%	0.1%	0.0%	0.2%	5.6%	
AM Peak	08:00	10:00	11:00	08:00	11:00	09:00	11:00	11:00	11:00	06:00	06:00	11:00	08:00	07:00	
Vol.	17	666	64	3	18	8	11	11	23	4	2	1	2	52	
PM Peak	15:00	16:00	16:00	12:00	17:00	13:00	12:00	16:00	17:00	13:00	16:00	15:00	13:00	15:00	
Vol.	24	1284	84	2	18	9	10	15	19	4	3	2	4	82	

Jacobs Engineering

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West Chester, PA, 19380

Site Code: Confirm Count 2
US 301 just North of Bethel Church Rd

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/06/13	2	46	5	0	3	0	0	1	10	1	0	0	0	7	75
01:00	1	33	0	0	5	2	0	1	15	1	0	0	0	6	64
02:00	1	32	5	0	3	0	0	3	12	0	0	0	0	3	59
03:00	1	54	9	0	8	0	1	5	14	0	0	0	0	11	103
04:00	4	65	15	1	2	3	0	2	8	1	2	0	0	16	119
05:00	0	0	0	0	0	0	0	0	0	0	0	0	0	21	21
06:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
07:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
08:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
09:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
10:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
11:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
12 PM	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
13:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
14:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
15:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
16:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
17:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
18:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
19:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
20:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
21:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
22:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
23:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Total	9	230	34	1	21	5	1	12	59	3	2	0	0	64	441
Percent	2.0%	52.2%	7.7%	0.2%	4.8%	1.1%	0.2%	2.7%	13.4%	0.7%	0.5%	0.0%	0.0%	14.5%	
AM Peak	04:00	04:00	04:00	04:00	03:00	04:00	03:00	03:00	01:00	00:00	04:00			05:00	
Vol.	4	65	15	1	8	3	1	5	15	1	2			21	
PM Peak															
Vol.															
Grand Total	1665	83149	5913	192	1534	673	243	1192	1841	158	86	26	202	5570	102444
Percent	1.6%	81.2%	5.8%	0.2%	1.5%	0.7%	0.2%	1.2%	1.8%	0.2%	0.1%	0.0%	0.2%	5.4%	

Jacobs Engineering
1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: New Count 1
US 301 just South of Merrimac Avenue

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Southbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
07/29/13	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
01:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
02:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
03:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
04:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
05:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
06:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
07:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
08:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
09:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
10:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
11:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
12 PM	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
13:00	5	317	76	8	19	4	4	28	21	6	1	2	8	14	513
14:00	9	334	93	6	31	10	2	18	37	11	3	1	6	26	587
15:00	6	359	138	8	38	5	3	28	30	7	2	1	15	31	671
16:00	8	381	110	4	30	4	0	22	33	10	4	3	9	27	645
17:00	7	395	121	4	33	2	3	17	25	8	0	5	13	30	663
18:00	10	332	89	7	17	1	0	29	34	10	1	2	13	26	571
19:00	5	297	69	3	16	1	1	17	28	7	0	2	9	16	471
20:00	6	202	50	5	11	0	3	9	40	3	1	0	5	7	342
21:00	6	174	41	7	9	0	0	12	32	8	5	2	5	12	313
22:00	4	116	26	4	12	1	1	2	41	1	0	2	2	6	218
23:00	1	72	11	5	2	0	0	5	43	4	0	2	3	1	149
Total	67	2979	824	61	218	28	17	187	364	75	17	22	88	196	5143
Percent	1.3%	57.9%	16.0%	1.2%	4.2%	0.5%	0.3%	3.6%	7.1%	1.5%	0.3%	0.4%	1.7%	3.8%	
AM Peak															
Vol.															
PM Peak	18:00	17:00	15:00	13:00	15:00	14:00	13:00	18:00	23:00	14:00	21:00	17:00	15:00	15:00	
Vol.	10	395	138	8	38	10	4	29	43	11	5	5	15	31	

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West Chester, PA, 19380

Site Code: New Count 1
US 301 just South of Merrimac Avenue

Latitude: 0' 0.000 Undefined
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Southbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
07/30/13	0	34	12	8	0	1	0	2	31	0	0	0	0	1	89
01:00	4	22	4	7	3	2	0	4	33	0	0	0	0	0	79
02:00	0	14	6	9	4	0	0	2	23	0	1	0	0	0	59
03:00	0	26	5	7	3	0	0	1	23	2	0	0	0	1	68
04:00	1	46	13	3	4	2	1	9	27	1	4	1	0	0	112
05:00	2	69	24	2	11	3	1	7	30	4	0	1	3	5	162
06:00	8	123	50	4	22	3	0	6	20	5	2	2	4	4	253
07:00	1	165	70	6	14	1	3	13	21	4	2	1	4	14	319
08:00	7	181	92	9	32	2	3	10	21	2	0	2	6	14	381
09:00	10	207	63	3	27	3	4	20	25	8	1	1	8	20	400
10:00	6	228	90	9	18	1	1	15	21	2	2	1	14	17	425
11:00	4	262	91	7	20	2	2	16	29	7	1	2	10	16	469
12 PM	8	272	89	5	19	4	1	29	24	9	1	3	7	17	488
13:00	4	279	88	5	31	8	3	24	39	5	1	0	6	19	512
14:00	12	322	93	5	29	5	5	21	28	9	1	2	10	30	572
15:00	12	314	129	3	19	6	6	31	29	8	1	0	12	22	592
16:00	13	343	129	6	23	4	1	26	29	11	2	1	20	30	638
17:00	8	374	103	6	22	3	0	15	20	10	4	1	17	38	621
18:00	11	360	98	6	9	0	2	17	39	6	1	2	9	25	585
19:00	10	266	75	3	16	3	1	12	33	4	0	1	6	16	446
20:00	2	233	56	4	11	1	1	13	28	5	0	0	12	10	376
21:00	4	192	40	6	12	0	2	8	34	2	5	2	4	6	317
22:00	6	120	30	1	4	0	2	4	28	1	0	1	3	6	206
23:00	2	64	11	8	4	0	0	3	23	4	0	0	2	1	122
Total	135	4516	1461	132	357	54	39	308	658	109	29	24	157	312	8291
Percent	1.6%	54.5%	17.6%	1.6%	4.3%	0.7%	0.5%	3.7%	7.9%	1.3%	0.3%	0.3%	1.9%	3.8%	
AM Peak	09:00	11:00	08:00	02:00	08:00	05:00	09:00	09:00	01:00	09:00	04:00	06:00	10:00	09:00	
Vol.	10	262	92	9	32	3	4	20	33	8	4	2	14	20	
PM Peak	16:00	17:00	15:00	23:00	13:00	13:00	15:00	15:00	13:00	16:00	21:00	12:00	16:00	17:00	
Vol.	13	374	129	8	31	8	6	31	39	11	5	3	20	38	

Jacobs Engineering
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Site Code: New Count 1
US 301 just South of Merrimac Avenue

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Southbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
07/31/13	3	40	9	3	1	0	0	4	24	2	0	0	1	1	88
01:00	2	32	4	7	2	0	0	1	23	0	0	0	2	0	73
02:00	1	19	4	10	3	0	0	1	22	0	0	0	0	1	61
03:00	0	20	3	7	2	0	0	2	19	0	1	0	0	1	55
04:00	1	39	16	4	4	1	0	4	25	1	3	0	0	2	100
05:00	3	66	28	0	10	1	0	5	22	2	2	2	9	5	155
06:00	6	128	47	3	19	1	1	7	24	4	2	1	8	8	259
07:00	2	164	56	8	27	0	2	15	21	2	1	2	6	11	317
08:00	4	195	88	7	22	1	6	19	17	4	2	2	6	15	388
09:00	1	220	86	4	27	3	2	22	21	5	2	0	5	14	412
10:00	4	253	95	8	25	1	5	21	23	7	1	0	6	22	471
11:00	5	221	84	11	21	4	1	18	30	8	0	2	11	30	446
12 PM	3	293	106	7	25	3	3	24	30	11	0	1	9	21	536
13:00	11	295	102	7	26	5	5	21	18	7	3	2	7	28	537
14:00	5	290	101	11	22	5	1	20	33	7	1	2	13	25	536
15:00	6	337	94	7	24	3	7	20	45	15	0	1	15	28	602
16:00	7	393	99	3	22	5	4	35	34	16	2	5	10	34	669
17:00	10	381	110	5	29	8	5	17	31	9	0	3	10	26	644
18:00	7	355	99	4	21	6	2	15	30	8	0	1	10	30	588
19:00	8	268	65	2	14	2	1	17	41	8	1	1	3	18	449
20:00	5	233	46	3	9	0	1	12	26	1	3	1	9	17	366
21:00	6	217	32	5	7	0	2	13	40	2	3	2	6	5	340
22:00	4	135	35	2	5	2	1	4	25	1	0	0	2	6	222
23:00	0	70	19	5	5	1	0	2	32	2	0	0	1	1	138
Total	104	4664	1428	133	372	52	49	319	656	122	27	28	149	349	8452
Percent	1.2%	55.2%	16.9%	1.6%	4.4%	0.6%	0.6%	3.8%	7.8%	1.4%	0.3%	0.3%	1.8%	4.1%	
AM Peak	06:00	10:00	10:00	11:00	07:00	11:00	08:00	09:00	11:00	11:00	04:00	05:00	11:00	11:00	
Vol.	6	253	95	11	27	4	6	22	30	8	3	2	11	30	
PM Peak	13:00	16:00	17:00	14:00	17:00	17:00	15:00	16:00	15:00	16:00	13:00	16:00	15:00	16:00	
Vol.	11	393	110	11	29	8	7	35	45	16	3	5	15	34	

Jacobs Engineering
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Site Code: New Count 1
US 301 just South of Merrimac Avenue

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Southbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
08/01/13	3	64	6	5	2	1	1	2	39	1	0	0	0	1	125
01:00	1	37	2	6	1	0	0	0	28	0	0	1	1	0	77
02:00	3	18	2	13	4	0	0	3	20	1	0	0	3	3	70
03:00	1	23	5	8	3	0	0	0	20	1	0	0	1	1	63
04:00	1	36	19	6	6	1	0	4	20	1	3	0	1	1	99
05:00	3	66	16	2	9	7	0	4	22	2	2	0	1	0	134
06:00	1	130	47	6	19	5	0	3	26	1	0	0	3	6	247
07:00	0	181	68	5	18	3	2	10	11	1	1	1	2	15	318
08:00	3	167	67	11	18	1	2	13	15	3	0	1	2	12	315
09:00	2	189	95	5	27	1	0	14	23	5	1	3	1	13	379
10:00	6	214	90	6	22	4	2	30	19	4	0	3	6	24	430
11:00	1	264	82	3	17	7	2	21	29	2	0	2	10	23	463
12 PM	3	248	95	12	18	8	1	18	19	3	0	1	8	17	451
13:00	10	344	106	5	29	4	8	28	31	8	0	1	11	22	607
14:00	6	317	99	9	30	1	2	30	32	7	3	4	12	39	591
15:00	6	395	129	3	27	4	1	29	19	13	1	0	10	44	681
16:00	5	417	114	3	24	4	4	35	25	10	0	5	6	46	698
17:00	9	412	108	4	25	3	1	32	30	12	5	5	12	48	706
18:00	3	395	104	3	19	4	6	32	30	5	2	3	9	26	641
19:00	9	328	80	4	19	3	5	14	38	8	1	1	11	17	538
20:00	4	274	72	3	17	0	1	12	25	5	3	0	10	23	449
21:00	3	206	48	8	9	1	2	10	31	3	3	1	8	11	344
22:00	2	150	29	6	9	0	0	8	25	3	0	0	3	9	244
23:00	3	79	15	3	3	0	0	4	26	4	0	0	1	1	139
Total	88	4954	1498	139	375	62	40	356	603	103	25	32	132	402	8809
Percent	1.0%	56.2%	17.0%	1.6%	4.3%	0.7%	0.5%	4.0%	6.8%	1.2%	0.3%	0.4%	1.5%	4.6%	
AM Peak	10:00	11:00	09:00	02:00	09:00	05:00	07:00	10:00	00:00	09:00	04:00	09:00	11:00	10:00	
Vol.	6	264	95	13	27	7	2	30	39	5	3	3	10	24	
PM Peak	13:00	16:00	15:00	12:00	14:00	12:00	13:00	16:00	19:00	15:00	17:00	16:00	14:00	17:00	
Vol.	10	417	129	12	30	8	8	35	38	13	5	5	12	48	

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Southbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
08/02/13	3	60	7	5	4	0	0	1	25	3	0	0	1	1	110
01:00	1	40	9	7	0	0	0	1	18	2	0	0	2	0	80
02:00	3	23	6	13	3	3	0	1	13	1	0	0	0	2	68
03:00	3	25	5	9	4	1	0	0	16	0	0	0	3	1	67
04:00	2	53	15	3	3	2	0	9	20	0	6	0	0	2	115
05:00	2	73	29	3	9	0	0	6	26	3	1	0	6	1	159
06:00	4	123	47	2	17	5	0	9	22	1	2	0	2	5	239
07:00	1	206	69	1	21	2	2	15	17	2	1	0	6	14	357
08:00	7	202	73	5	17	8	4	17	22	4	0	3	5	23	390
09:00	6	274	78	9	23	3	1	31	22	4	0	1	10	22	484
10:00	9	329	101	3	19	3	3	38	29	7	2	1	8	39	591
11:00	7	356	103	1	21	2	4	33	15	7	1	3	13	41	607
12 PM	7	355	116	6	19	3	6	36	34	12	3	3	13	39	652
13:00	9	383	101	3	27	9	8	34	28	11	1	7	19	48	688
14:00	7	398	117	4	25	4	7	38	28	13	1	2	17	55	716
15:00	7	413	116	1	18	6	5	37	35	15	1	7	12	53	726
16:00	12	466	115	6	22	2	7	26	23	7	0	2	12	42	742
17:00	5	489	120	5	18	7	5	47	20	17	1	6	13	40	793
18:00	6	466	108	4	16	2	2	34	31	7	2	6	17	53	754
19:00	6	380	84	6	13	5	2	22	27	7	4	3	14	61	634
20:00	5	340	84	4	13	1	2	21	26	6	3	4	8	35	552
21:00	8	290	57	4	10	2	1	11	21	7	6	0	12	24	453
22:00	4	217	50	3	13	2	1	8	44	0	0	0	4	6	352
23:00	2	132	27	4	7	0	2	1	12	1	0	0	4	4	196
Total	126	6093	1637	111	342	72	62	476	574	137	35	48	201	611	10525
Percent	1.2%	57.9%	15.6%	1.1%	3.2%	0.7%	0.6%	4.5%	5.5%	1.3%	0.3%	0.5%	1.9%	5.8%	
AM Peak	10:00	11:00	11:00	02:00	09:00	08:00	08:00	10:00	10:00	10:00	04:00	08:00	11:00	11:00	
Vol.	9	356	103	13	23	8	4	38	29	7	6	3	13	41	
PM Peak	16:00	17:00	17:00	12:00	13:00	13:00	13:00	17:00	22:00	17:00	21:00	13:00	13:00	19:00	
Vol.	12	489	120	6	27	9	8	47	44	17	6	7	19	61	

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Southbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
08/03/13	2	85	12	9	2	0	0	1	11	1	0	0	1	1	125
01:00	2	64	11	8	3	2	0	4	17	4	0	0	2	3	120
02:00	1	46	8	11	4	1	0	4	15	0	0	0	1	0	91
03:00	1	37	14	5	4	1	0	3	13	0	1	0	0	0	79
04:00	2	43	20	1	2	3	0	7	13	1	2	0	0	2	96
05:00	8	59	24	3	7	8	0	10	15	1	3	0	3	6	147
06:00	4	90	29	0	8	0	0	8	14	1	0	1	0	6	161
07:00	0	142	56	2	9	1	5	9	15	1	1	1	2	10	254
08:00	3	193	66	4	16	3	1	13	13	2	3	2	3	22	344
09:00	9	278	82	6	14	1	2	34	24	8	0	2	6	33	499
10:00	3	400	87	2	22	5	5	36	17	6	1	6	6	49	645
11:00	6	443	101	1	23	5	4	31	15	14	2	6	9	60	720
12 PM	7	448	118	4	22	7	11	50	18	9	2	4	4	51	755
13:00	4	516	99	3	27	8	2	34	12	15	2	2	3	44	771
14:00	5	453	91	2	12	3	12	28	13	6	1	1	6	67	700
15:00	4	396	95	4	13	3	7	27	16	8	0	0	10	33	616
16:00	7	387	88	1	14	2	8	24	15	6	2	2	5	35	596
17:00	4	379	78	0	16	0	3	24	12	3	1	1	2	33	556
18:00	7	321	98	3	15	2	3	18	17	3	1	1	3	23	515
19:00	1	274	69	3	12	0	4	16	16	8	0	1	4	29	437
20:00	3	251	64	2	7	2	0	7	18	3	1	2	4	14	378
21:00	2	192	35	3	10	2	0	11	22	1	0	1	2	11	292
22:00	2	177	38	1	8	0	0	5	13	0	0	0	1	12	257
23:00	2	110	23	1	2	0	0	3	9	0	0	0	0	5	155
Total	89	5784	1406	79	272	59	67	407	363	101	23	33	77	549	9309
Percent	1.0%	62.1%	15.1%	0.8%	2.9%	0.6%	0.7%	4.4%	3.9%	1.1%	0.2%	0.4%	0.8%	5.9%	
AM Peak	09:00	11:00	11:00	02:00	11:00	05:00	07:00	10:00	09:00	11:00	05:00	10:00	11:00	11:00	
Vol.	9	443	101	11	23	8	5	36	24	14	3	6	9	60	
PM Peak	12:00	13:00	12:00	12:00	13:00	13:00	14:00	12:00	21:00	13:00	12:00	12:00	15:00	14:00	
Vol.	7	516	118	4	27	8	12	50	22	15	2	4	10	67	

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Southbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
08/04/13	0	71	17	1	2	0	0	1	10	2	0	0	1	0	105
01:00	0	47	12	0	1	0	0	2	3	0	0	0	0	0	65
02:00	0	24	5	2	0	0	0	3	6	1	0	0	0	1	42
03:00	1	21	9	1	1	1	0	9	6	1	0	0	0	0	50
04:00	0	31	20	0	0	0	0	5	7	1	0	0	0	1	65
05:00	0	42	17	1	4	0	0	1	10	6	0	0	1	2	84
06:00	0	61	16	0	2	0	0	4	4	2	0	0	1	1	91
07:00	3	97	30	1	6	0	0	3	6	0	0	0	1	2	149
08:00	5	161	47	0	7	2	0	14	7	1	2	0	1	6	253
09:00	14	266	58	1	16	4	2	19	10	5	0	1	3	22	421
10:00	12	352	102	3	10	1	3	32	9	3	1	1	7	28	564
11:00	17	361	108	1	15	2	2	25	11	6	2	3	7	37	597
12 PM	21	399	104	1	14	4	2	28	10	3	2	8	8	49	653
13:00	19	416	95	2	22	4	3	25	13	9	1	0	11	54	674
14:00	12	402	98	4	19	3	2	31	10	5	0	2	9	42	639
15:00	11	386	95	1	12	2	2	23	11	9	2	1	11	43	609
16:00	9	384	96	4	13	4	1	22	9	5	0	5	4	31	587
17:00	6	332	66	2	9	1	3	22	14	8	1	0	2	37	503
18:00	11	317	69	4	10	4	1	26	8	8	1	1	3	17	480
19:00	7	289	67	4	9	1	0	20	11	5	0	2	2	30	447
20:00	2	290	52	2	5	0	1	17	14	3	1	1	2	17	407
21:00	6	200	46	1	8	0	0	11	9	1	0	1	5	10	298
22:00	2	144	29	1	1	2	0	2	10	2	0	0	0	5	198
23:00	0	85	14	4	3	0	0	1	9	0	0	0	0	1	117
Total	158	5178	1272	41	189	35	22	346	217	86	13	26	79	436	8098
Percent	2.0%	63.9%	15.7%	0.5%	2.3%	0.4%	0.3%	4.3%	2.7%	1.1%	0.2%	0.3%	1.0%	5.4%	
AM Peak	11:00	11:00	11:00	10:00	09:00	09:00	10:00	10:00	11:00	05:00	08:00	11:00	10:00	11:00	
Vol.	17	361	108	3	16	4	3	32	11	6	2	3	7	37	
PM Peak	12:00	13:00	12:00	14:00	13:00	12:00	13:00	14:00	17:00	13:00	12:00	12:00	13:00	13:00	
Vol.	21	416	104	4	22	4	3	31	14	9	2	8	11	54	

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Southbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
08/05/13	0	48	3	3	2	0	0	0	10	2	0	0	0	2	70
01:00	0	43	6	8	1	0	0	2	12	0	0	0	0	0	72
02:00	0	21	3	9	4	0	0	2	10	0	0	0	0	1	50
03:00	0	31	8	7	2	0	0	0	10	0	0	0	0	0	58
04:00	1	54	14	1	4	0	0	5	11	1	0	0	0	3	94
05:00	2	95	21	1	4	1	0	6	14	3	0	0	4	4	155
06:00	4	149	46	4	16	10	1	8	12	4	1	1	3	2	261
07:00	2	196	85	3	18	1	2	11	21	1	2	0	3	9	354
08:00	2	173	88	5	19	1	4	13	24	9	0	2	3	15	358
09:00	8	196	83	3	18	4	3	14	24	4	2	3	6	19	387
10:00	9	259	87	7	22	0	1	16	21	6	1	3	9	17	458
11:00	8	266	96	6	18	4	7	23	16	10	0	2	8	18	482
12 PM	13	316	94	6	20	5	2	22	21	13	3	2	11	20	548
13:00	10	321	92	9	25	5	4	23	34	6	1	2	5	27	564
14:00	2	300	105	4	23	4	2	17	28	14	1	2	9	31	542
15:00	9	368	140	4	21	4	4	16	31	9	1	0	7	21	635
16:00	15	417	106	2	27	8	3	26	30	4	1	1	21	36	697
17:00	4	416	120	5	29	4	4	22	30	4	0	1	16	33	688
18:00	9	352	90	2	13	2	4	22	40	8	0	3	12	25	582
19:00	13	257	76	2	17	2	3	17	26	6	1	2	18	15	455
20:00	4	269	55	6	8	3	2	9	41	0	2	3	9	6	417
21:00	8	175	40	4	14	0	1	6	46	5	5	0	3	5	312
22:00	3	130	19	5	3	1	0	3	41	3	0	1	1	3	213
23:00	4	78	14	4	5	0	1	1	26	1	0	0	0	2	136
Total	130	4930	1491	110	333	59	48	284	579	113	21	28	148	314	8588
Percent	1.5%	57.4%	17.4%	1.3%	3.9%	0.7%	0.6%	3.3%	6.7%	1.3%	0.2%	0.3%	1.7%	3.7%	
AM Peak	10:00	11:00	11:00	02:00	10:00	06:00	11:00	11:00	08:00	11:00	07:00	09:00	10:00	09:00	
Vol.	9	266	96	9	22	10	7	23	24	10	2	3	9	19	
PM Peak	16:00	16:00	15:00	13:00	17:00	16:00	13:00	16:00	21:00	14:00	21:00	18:00	16:00	16:00	
Vol.	15	417	140	9	29	8	4	26	46	14	5	3	21	36	

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Southbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
08/06/13	0	43	6	6	0	1	0	2	26	3	0	0	2	0	89
01:00	2	22	10	9	2	1	0	2	20	0	0	0	0	2	70
02:00	1	14	3	11	5	0	0	1	26	1	0	0	0	0	62
03:00	0	13	4	6	6	0	0	0	23	3	0	0	1	0	56
04:00	2	41	22	2	6	1	2	2	35	1	3	0	0	2	119
05:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
06:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
07:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
08:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
09:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
10:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
11:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
12 PM	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
13:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
14:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
15:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
16:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
17:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
18:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
19:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
20:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
21:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
22:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
23:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Total	5	133	45	34	19	3	2	7	130	8	3	0	3	4	396
Percent	1.3%	33.6%	11.4%	8.6%	4.8%	0.8%	0.5%	1.8%	32.8%	2.0%	0.8%	0.0%	0.8%	1.0%	
AM Peak	01:00	00:00	04:00	02:00	03:00	00:00	04:00	00:00	04:00	00:00	04:00		00:00	01:00	
Vol.	2	43	22	11	6	1	2	2	35	3	3		2	2	
PM Peak															
Vol.															
Grand Total	902	39231	11062	840	2477	424	346	2690	4144	854	193	241	1034	3173	67611
Percent	1.3%	58.0%	16.4%	1.2%	3.7%	0.6%	0.5%	4.0%	6.1%	1.3%	0.3%	0.4%	1.5%	4.7%	

Jacobs Engineering
1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: New Count 1
US 301 just South of Merrimac Avenue

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Northbound Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
07/29/13	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
01:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
02:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
03:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
04:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
05:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
06:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
07:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
08:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
09:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
10:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
11:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
12 PM	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
13:00	2	347	76	2	18	4	4	12	24	12	1	3	9	21	535
14:00	11	316	91	4	12	10	4	10	22	8	1	1	6	20	516
15:00	7	343	84	3	18	4	1	21	21	8	1	0	5	20	536
16:00	6	325	90	1	13	3	2	16	16	3	2	0	7	34	518
17:00	8	353	76	3	11	4	7	13	18	4	0	2	8	28	535
18:00	5	302	67	0	8	3	3	6	16	1	2	0	5	22	440
19:00	8	234	55	0	9	2	0	6	32	5	0	0	12	25	388
20:00	5	190	31	1	4	1	2	5	26	2	0	0	5	13	285
21:00	3	134	28	1	2	0	0	2	25	4	0	0	2	5	206
22:00	0	66	10	0	3	1	0	3	27	7	2	0	5	1	125
23:00	1	44	12	1	2	1	0	2	27	4	3	0	4	1	102
Total	56	2654	620	16	100	33	23	96	254	58	12	6	68	190	4186
Percent	1.3%	63.4%	14.8%	0.4%	2.4%	0.8%	0.5%	2.3%	6.1%	1.4%	0.3%	0.1%	1.6%	4.5%	
AM Peak															
Vol.															
PM Peak	14:00	17:00	14:00	14:00	13:00	14:00	17:00	15:00	19:00	13:00	23:00	13:00	19:00	16:00	
Vol.	11	353	91	4	18	10	7	21	32	12	3	3	12	34	

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Northbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
07/30/13	0	31	4	7	2	0	0	0	23	4	0	1	2	1	75
01:00	0	11	1	7	0	1	1	0	26	5	2	0	1	1	56
02:00	0	14	6	5	4	0	0	3	27	3	0	0	4	0	66
03:00	0	19	3	3	2	1	0	0	23	3	0	0	2	1	57
04:00	0	44	16	2	4	3	0	1	39	4	1	0	5	0	119
05:00	2	128	54	1	10	2	1	3	19	8	2	1	4	3	238
06:00	6	261	92	2	18	0	3	10	18	5	4	1	9	15	444
07:00	6	316	92	3	15	4	4	9	36	4	0	2	8	29	528
08:00	5	292	88	6	19	2	4	13	29	8	0	0	13	26	505
09:00	3	270	72	8	18	5	3	11	25	6	1	0	2	21	445
10:00	4	266	86	6	9	2	1	13	33	6	1	0	12	23	462
11:00	7	299	85	3	11	6	2	20	33	8	2	0	12	15	503
12 PM	8	337	90	8	26	1	2	15	32	5	5	1	8	19	557
13:00	7	301	82	3	21	2	3	14	35	1	4	1	4	22	500
14:00	4	282	86	1	18	1	3	15	20	8	1	3	4	18	464
15:00	6	329	95	2	17	3	4	23	28	5	2	1	13	31	559
16:00	13	340	93	2	20	3	3	14	24	6	0	0	9	40	567
17:00	5	398	88	4	12	2	5	11	19	7	1	3	12	32	599
18:00	7	293	72	1	8	1	2	11	37	7	1	1	10	21	472
19:00	5	221	45	1	6	0	2	7	24	14	0	0	8	15	348
20:00	5	180	41	1	8	1	0	6	31	12	2	0	6	6	299
21:00	5	121	18	4	3	0	0	0	42	4	1	0	8	6	212
22:00	0	83	8	1	2	1	0	4	34	5	2	2	8	2	152
23:00	4	50	8	1	3	1	0	0	21	6	3	0	7	2	106
Total	102	4886	1325	82	256	42	43	203	678	144	35	17	171	349	8333
Percent	1.2%	58.6%	15.9%	1.0%	3.1%	0.5%	0.5%	2.4%	8.1%	1.7%	0.4%	0.2%	2.1%	4.2%	
AM Peak	11:00	07:00	06:00	09:00	08:00	11:00	07:00	11:00	04:00	05:00	06:00	07:00	08:00	07:00	
Vol.	7	316	92	8	19	6	4	20	39	8	4	2	13	29	
PM Peak	16:00	17:00	15:00	12:00	12:00	15:00	17:00	15:00	21:00	19:00	12:00	14:00	15:00	16:00	
Vol.	13	398	95	8	26	3	5	23	42	14	5	3	13	40	

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Longitude: 0' 0.000 Undefined

Northbound Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
07/31/13	0	27	3	7	2	0	0	2	27	2	0	1	2	0	73
01:00	0	11	3	9	0	0	1	2	29	5	2	0	1	0	63
02:00	1	10	3	4	4	0	0	0	19	5	1	0	4	0	51
03:00	0	19	8	2	3	0	0	1	38	4	0	0	2	0	77
04:00	1	47	18	0	3	1	1	0	30	5	0	0	4	0	110
05:00	5	120	55	3	10	2	1	4	26	8	3	0	4	8	249
06:00	4	254	89	2	17	0	2	12	17	7	1	0	12	17	434
07:00	2	320	61	1	18	0	2	5	28	8	0	2	15	24	486
08:00	6	315	89	6	17	2	3	11	34	11	1	1	20	19	535
09:00	5	313	68	7	22	2	6	15	22	3	1	3	11	23	501
10:00	9	317	83	4	19	1	2	10	38	7	0	2	11	27	530
11:00	7	332	93	3	14	2	3	16	38	7	1	3	12	25	556
12 PM	4	355	95	7	21	5	6	17	19	4	3	0	15	36	587
13:00	5	345	99	5	24	7	3	14	24	8	3	1	7	24	569
14:00	11	327	92	2	18	8	0	21	23	11	0	3	5	32	553
15:00	6	319	88	7	6	3	4	15	18	8	1	1	17	26	519
16:00	11	368	103	5	17	2	0	14	22	9	3	2	12	34	602
17:00	5	397	88	4	12	4	4	17	33	8	1	3	14	46	636
18:00	5	286	60	4	9	3	2	12	25	9	1	2	8	24	450
19:00	2	253	46	1	5	2	2	3	14	6	0	0	5	10	349
20:00	5	189	37	5	8	3	1	5	21	2	1	0	11	9	297
21:00	2	139	28	2	1	1	1	5	36	13	3	0	10	8	249
22:00	3	82	20	1	1	0	0	0	30	6	3	0	7	2	155
23:00	0	51	8	2	2	0	0	0	23	6	4	0	4	1	101
Total	99	5196	1337	93	253	48	44	201	634	162	33	24	213	395	8732
Percent	1.1%	59.5%	15.3%	1.1%	2.9%	0.5%	0.5%	2.3%	7.3%	1.9%	0.4%	0.3%	2.4%	4.5%	
AM Peak	10:00	11:00	11:00	01:00	09:00	05:00	09:00	11:00	03:00	08:00	05:00	09:00	08:00	10:00	
Vol.	9	332	93	9	22	2	6	16	38	11	3	3	20	27	
PM Peak	14:00	17:00	16:00	12:00	13:00	14:00	12:00	14:00	21:00	21:00	23:00	14:00	15:00	17:00	
Vol.	11	397	103	7	24	8	6	21	36	13	4	3	17	46	

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Northbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
08/01/13	0	33	3	6	2	0	0	2	34	11	0	0	2	1	94
01:00	1	19	3	10	0	1	0	0	32	4	1	0	4	2	77
02:00	1	19	6	5	4	0	0	1	28	3	0	0	2	0	69
03:00	3	15	5	3	6	0	0	1	36	8	0	0	9	2	88
04:00	1	38	14	2	3	2	0	5	24	5	1	0	5	1	101
05:00	0	134	44	7	12	1	1	3	26	9	1	1	2	9	250
06:00	2	243	92	5	21	3	1	11	29	8	1	3	9	13	441
07:00	4	302	74	4	8	2	2	13	26	8	0	0	15	19	477
08:00	5	265	76	6	9	2	5	11	22	10	2	0	14	27	454
09:00	2	284	106	4	15	4	9	10	17	7	0	1	12	18	489
10:00	3	308	98	6	15	1	5	11	22	15	0	1	10	33	528
11:00	6	298	93	9	16	4	2	14	29	18	0	0	11	34	534
12 PM	6	319	94	9	19	3	6	23	36	8	1	0	21	38	583
13:00	4	320	93	7	15	5	6	10	23	9	1	2	14	30	539
14:00	2	340	87	3	26	4	8	22	27	11	1	5	14	29	579
15:00	2	359	87	4	11	3	2	17	25	10	2	1	15	29	567
16:00	6	343	80	1	18	5	3	16	23	8	3	1	13	29	549
17:00	5	416	89	1	11	0	1	22	17	6	2	2	11	43	626
18:00	5	374	74	6	11	2	3	11	20	13	0	1	17	26	563
19:00	2	304	59	4	6	1	4	12	22	9	0	1	10	13	447
20:00	0	199	38	1	5	3	1	9	26	7	0	0	4	7	300
21:00	1	162	19	2	5	1	3	1	44	8	1	0	7	6	260
22:00	1	94	20	0	1	0	0	2	35	8	2	1	5	5	174
23:00	3	60	6	7	1	1	0	0	20	3	2	0	3	1	107
Total	65	5248	1360	112	240	48	62	227	643	206	21	20	229	415	8896
Percent	0.7%	59.0%	15.3%	1.3%	2.7%	0.5%	0.7%	2.6%	7.2%	2.3%	0.2%	0.2%	2.6%	4.7%	
AM Peak	11:00	10:00	09:00	01:00	06:00	09:00	09:00	11:00	03:00	11:00	08:00	06:00	07:00	11:00	
Vol.	6	308	106	10	21	4	9	14	36	18	2	3	15	34	
PM Peak	12:00	17:00	12:00	12:00	14:00	13:00	14:00	12:00	21:00	18:00	16:00	14:00	12:00	17:00	
Vol.	6	416	94	9	26	5	8	23	44	13	3	5	21	43	

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Northbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
08/02/13	0	26	4	5	3	1	0	1	34	5	0	1	2	0	82
01:00	0	26	7	8	1	0	0	2	20	3	1	1	3	1	73
02:00	1	14	3	4	4	0	0	2	31	5	0	0	2	0	66
03:00	1	22	7	3	0	1	0	1	29	4	0	0	1	0	69
04:00	2	52	19	5	4	1	0	2	35	4	0	0	2	2	128
05:00	6	132	37	2	14	4	1	3	18	4	3	0	4	3	231
06:00	2	282	94	3	15	3	0	9	20	6	2	0	9	9	454
07:00	0	302	66	4	13	1	3	7	20	8	0	1	5	23	453
08:00	6	313	79	9	17	1	4	17	25	8	0	1	9	24	513
09:00	5	333	91	5	14	5	5	19	20	9	0	4	12	32	554
10:00	8	392	79	2	17	1	5	15	33	10	0	0	9	24	595
11:00	5	413	98	3	13	4	2	26	27	7	3	4	10	38	653
12 PM	12	388	112	4	19	3	1	22	28	8	4	2	15	49	667
13:00	7	430	100	2	9	6	9	17	23	11	4	2	12	39	671
14:00	8	391	93	1	18	9	5	17	19	9	3	2	10	33	618
15:00	4	386	96	4	15	5	3	19	21	10	3	2	9	43	620
16:00	7	383	86	2	13	4	2	13	17	10	0	4	8	46	595
17:00	2	446	106	2	11	2	4	21	19	3	1	3	7	41	668
18:00	4	435	88	2	10	2	5	15	13	5	2	2	5	32	620
19:00	7	359	70	0	1	3	4	10	19	6	1	0	4	31	515
20:00	2	289	55	1	9	1	3	7	14	5	0	0	4	16	406
21:00	6	193	38	0	4	1	1	7	18	2	1	0	6	6	283
22:00	2	141	23	0	1	1	0	3	12	2	0	0	4	4	193
23:00	1	80	11	1	2	0	0	1	12	0	4	0	3	5	120
Total	98	6228	1462	72	227	59	57	256	527	144	32	29	155	501	9847
Percent	1.0%	63.2%	14.8%	0.7%	2.3%	0.6%	0.6%	2.6%	5.4%	1.5%	0.3%	0.3%	1.6%	5.1%	
AM Peak	10:00	11:00	11:00	08:00	08:00	09:00	09:00	11:00	04:00	10:00	05:00	09:00	09:00	11:00	
Vol.	8	413	98	9	17	5	5	26	35	10	3	4	12	38	
PM Peak	12:00	17:00	12:00	12:00	12:00	14:00	13:00	12:00	12:00	13:00	12:00	16:00	12:00	12:00	
Vol.	12	446	112	4	19	9	9	22	28	11	4	4	15	49	

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Northbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
08/03/13	2	53	10	6	1	0	0	0	18	1	0	0	1	1	93
01:00	1	28	1	8	5	0	0	0	10	2	1	1	2	2	61
02:00	0	26	2	4	2	0	0	0	12	4	0	0	0	2	52
03:00	0	22	8	4	2	0	0	1	5	3	0	0	1	0	46
04:00	2	36	5	1	1	1	0	1	19	5	0	0	0	2	73
05:00	1	87	19	1	2	0	0	0	14	2	2	0	1	0	129
06:00	1	139	48	5	4	1	1	6	15	1	2	0	1	5	229
07:00	2	210	57	2	9	0	0	10	11	4	1	1	3	16	326
08:00	1	295	88	5	15	4	0	20	11	4	0	0	3	13	459
09:00	3	378	88	2	13	3	3	33	15	11	0	1	2	37	589
10:00	6	459	108	4	12	3	3	17	10	5	0	0	1	37	665
11:00	5	497	117	3	17	0	4	26	17	8	0	3	9	62	768
12 PM	6	482	82	3	13	2	12	23	8	7	2	2	10	52	704
13:00	11	452	93	0	7	1	2	16	11	2	4	1	6	39	645
14:00	4	404	84	4	8	2	5	17	13	7	3	1	5	45	602
15:00	8	372	80	2	9	1	3	21	13	3	0	1	5	23	541
16:00	2	410	89	1	8	0	3	18	11	4	0	2	5	34	587
17:00	3	397	94	1	9	4	1	18	11	7	0	1	5	38	589
18:00	4	388	72	0	9	2	3	11	11	3	1	1	3	23	531
19:00	1	328	47	1	4	1	1	8	9	4	1	1	3	17	426
20:00	0	242	36	0	5	1	0	11	10	4	1	0	6	21	337
21:00	5	222	32	1	4	0	0	3	19	2	0	0	4	13	305
22:00	1	164	22	4	1	0	0	1	14	1	1	0	0	3	212
23:00	0	104	11	2	1	0	0	3	8	4	1	0	1	3	138
Total	69	6195	1293	64	161	26	41	264	295	98	20	16	77	488	9107
Percent	0.8%	68.0%	14.2%	0.7%	1.8%	0.3%	0.5%	2.9%	3.2%	1.1%	0.2%	0.2%	0.8%	5.4%	
AM Peak	10:00	11:00	11:00	01:00	11:00	08:00	11:00	09:00	04:00	09:00	05:00	11:00	11:00	11:00	
Vol.	6	497	117	8	17	4	4	33	19	11	2	3	9	62	
PM Peak	13:00	12:00	17:00	14:00	12:00	17:00	12:00	12:00	21:00	12:00	13:00	12:00	12:00	12:00	
Vol.	11	482	94	4	13	4	12	23	19	7	4	2	10	52	

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Northbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
08/04/13	0	60	3	2	1	0	0	0	14	2	0	0	2	0	84
01:00	0	40	5	1	1	0	0	0	9	1	0	0	0	0	57
02:00	1	26	3	1	0	0	0	0	11	3	0	0	1	0	46
03:00	1	20	5	0	0	1	0	0	10	0	0	0	0	0	37
04:00	0	23	3	0	2	0	0	0	8	1	0	0	0	0	37
05:00	0	45	10	0	0	0	0	2	8	3	0	0	0	2	70
06:00	3	109	28	0	0	0	0	2	16	1	0	1	2	3	165
07:00	0	149	41	0	2	1	0	10	7	2	0	1	1	6	220
08:00	4	221	61	2	7	1	3	7	18	4	0	0	2	12	342
09:00	4	357	79	0	15	3	2	10	8	7	1	3	4	43	536
10:00	14	439	86	0	4	2	5	17	10	6	1	2	5	52	643
11:00	25	459	119	2	7	4	5	20	12	10	1	2	3	62	731
12 PM	12	515	104	1	12	2	2	18	7	12	1	2	8	66	762
13:00	12	464	91	0	2	2	2	9	10	6	3	3	3	50	657
14:00	14	441	87	1	12	0	8	18	16	7	2	1	1	52	660
15:00	21	496	82	1	10	3	5	28	13	6	2	1	11	57	736
16:00	11	500	90	4	8	5	12	25	13	6	3	1	9	67	754
17:00	30	508	83	0	5	6	6	13	19	8	0	1	14	77	770
18:00	17	470	75	4	6	2	5	19	36	6	1	3	14	53	711
19:00	17	396	49	1	7	3	6	12	27	8	2	2	10	52	592
20:00	11	320	51	3	10	1	4	9	29	10	0	0	5	27	480
21:00	2	199	41	1	7	0	2	9	26	3	0	0	12	11	313
22:00	2	147	19	3	0	1	1	5	25	5	0	0	6	6	220
23:00	1	60	11	3	2	0	0	1	33	1	0	0	2	0	114
Total	202	6464	1226	30	120	37	68	234	385	118	17	23	115	698	9737
Percent	2.1%	66.4%	12.6%	0.3%	1.2%	0.4%	0.7%	2.4%	4.0%	1.2%	0.2%	0.2%	1.2%	7.2%	
AM Peak	11:00	11:00	11:00	00:00	09:00	11:00	10:00	11:00	08:00	11:00	09:00	09:00	10:00	11:00	
Vol.	25	459	119	2	15	4	5	20	18	10	1	3	5	62	
PM Peak	17:00	12:00	12:00	16:00	12:00	17:00	16:00	15:00	18:00	12:00	13:00	13:00	17:00	17:00	
Vol.	30	515	104	4	12	6	12	28	36	12	3	3	14	77	

Jacobs Engineering
1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: New Count 1
US 301 just South of Merrimac Avenue

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Northbound

Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
08/05/13	2	34	3	7	2	1	0	2	40	1	0	0	1	1	94
01:00	1	20	2	11	2	0	0	1	29	0	0	1	1	0	68
02:00	0	25	5	3	4	0	0	0	27	5	0	0	0	0	69
03:00	1	27	7	1	1	0	0	3	30	0	0	0	0	0	70
04:00	1	53	19	8	7	0	1	1	28	0	0	0	2	0	120
05:00	3	147	51	3	14	2	0	3	25	4	0	1	2	10	265
06:00	6	282	100	4	16	0	5	9	22	9	0	1	11	21	486
07:00	2	324	68	0	13	5	9	9	19	6	1	0	10	24	490
08:00	3	310	83	7	10	8	5	13	33	8	0	2	13	22	517
09:00	10	314	82	9	15	1	2	16	37	4	0	2	11	25	528
10:00	13	332	80	3	11	5	1	17	26	13	2	3	9	38	553
11:00	5	390	101	4	16	6	4	25	25	6	2	0	15	32	631
12 PM	13	374	91	3	17	1	7	21	22	6	2	0	11	30	598
13:00	11	343	73	2	8	8	5	13	23	10	0	2	8	23	529
14:00	20	320	82	4	11	1	10	18	22	6	0	2	10	40	546
15:00	28	301	84	3	17	2	9	20	30	10	2	0	13	24	543
16:00	15	358	101	5	14	1	6	17	21	6	0	2	13	34	593
17:00	19	372	86	5	9	6	2	9	21	5	1	2	12	30	579
18:00	21	298	56	2	5	1	0	9	23	8	1	1	4	20	449
19:00	19	246	45	0	13	2	1	4	14	4	0	0	3	16	367
20:00	9	191	51	1	3	2	1	4	23	2	1	0	3	11	302
21:00	4	102	22	3	3	0	0	3	30	5	2	1	4	6	185
22:00	1	87	8	0	2	1	0	1	28	6	1	2	2	2	141
23:00	0	35	7	2	2	0	0	0	33	3	4	0	2	0	88
Total	207	5285	1307	90	215	53	68	218	631	127	19	22	160	409	8811
Percent	2.3%	60.0%	14.8%	1.0%	2.4%	0.6%	0.8%	2.5%	7.2%	1.4%	0.2%	0.2%	1.8%	4.6%	
AM Peak	10:00	11:00	11:00	01:00	06:00	08:00	07:00	11:00	00:00	10:00	10:00	10:00	11:00	10:00	
Vol.	13	390	101	11	16	8	9	25	40	13	2	3	15	38	
PM Peak	15:00	12:00	16:00	16:00	12:00	13:00	14:00	12:00	23:00	13:00	23:00	13:00	15:00	14:00	
Vol.	28	374	101	5	17	8	10	21	33	10	4	2	13	40	

Jacobs Engineering

1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: New Count 1
US 301 just South of Merrimac Avenue

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Northbound Start Time	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Total
08/06/13	1	19	2	6	3	0	0	0	18	1	2	0	0	0	52
01:00	2	11	2	11	1	1	0	1	21	5	1	0	1	0	57
02:00	0	16	5	3	2	0	0	1	34	3	0	1	1	1	67
03:00	1	23	4	1	1	0	1	0	27	2	0	0	1	1	62
04:00	0	49	15	3	3	1	1	0	38	4	0	0	4	2	120
05:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
06:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
07:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
08:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
09:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
10:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
11:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
12 PM	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
13:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
14:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
15:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
16:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
17:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
18:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
19:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
20:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
21:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
22:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
23:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Total	4	118	28	24	10	2	2	2	138	15	3	1	7	4	358
Percent	1.1%	33.0%	7.8%	6.7%	2.8%	0.6%	0.6%	0.6%	38.5%	4.2%	0.8%	0.3%	2.0%	1.1%	
AM Peak	01:00	04:00	04:00	01:00	00:00	01:00	03:00	01:00	04:00	01:00	00:00	02:00	04:00	04:00	
Vol.	2	49	15	11	3	1	1	1	38	5	2	1	4	2	
PM Peak															
Vol.															
Grand Total	902	42274	9958	583	1582	348	408	1701	4185	1072	192	158	1195	3449	68007
Percent	1.3%	62.2%	14.6%	0.9%	2.3%	0.5%	0.6%	2.5%	6.2%	1.6%	0.3%	0.2%	1.8%	5.1%	

Jacobs Engineering
1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: New Count 2
US 301 just South of Peterson Road

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
07/29/13	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
01:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
02:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
03:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
04:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
05:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
06:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
07:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
08:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
09:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
10:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
11:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
12 PM	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
13:00	2	375	60	2	15	8	0	14	27	1	0	0	1	13	518
14:00	5	370	65	6	14	3	2	6	17	3	1	0	2	12	506
15:00	6	448	77	3	18	4	1	9	20	1	1	0	2	14	604
16:00	5	499	70	4	11	1	1	10	27	0	0	2	0	20	650
17:00	4	489	56	2	8	3	0	5	22	0	0	1	1	17	608
18:00	2	347	47	0	8	3	0	7	38	1	0	0	2	12	467
19:00	7	312	29	1	6	1	0	6	32	0	0	0	0	14	408
20:00	2	214	28	1	4	1	0	4	27	0	0	0	0	8	289
21:00	2	195	23	1	2	3	0	2	30	1	0	0	0	5	264
22:00	2	102	9	0	2	3	0	7	20	0	4	0	0	3	152
23:00	0	59	6	4	1	2	0	4	34	0	1	0	1	3	115
Total	37	3410	470	24	89	32	4	74	294	7	7	3	9	121	4581
Percent	0.8%	74.4%	10.3%	0.5%	1.9%	0.7%	0.1%	1.6%	6.4%	0.2%	0.2%	0.1%	0.2%	2.6%	
AM Peak															
Vol.															
PM Peak	19:00	16:00	15:00	14:00	15:00	13:00	14:00	13:00	18:00	14:00	22:00	16:00	14:00	16:00	
Vol.	7	499	77	6	18	8	2	14	38	3	4	2	2	20	

Jacobs Engineering

1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: New Count 2
US 301 just South of Peterson Road

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
07/30/13	0	30	2	8	1	2	0	3	29	0	2	1	0	3	81
01:00	0	20	1	5	1	1	0	3	20	1	0	0	0	1	53
02:00	0	26	3	5	2	0	0	4	30	0	0	0	0	4	74
03:00	0	47	9	8	5	4	0	3	42	0	1	0	0	3	122
04:00	1	114	32	4	6	3	0	3	32	0	2	0	1	5	203
05:00	5	180	69	3	8	5	1	6	28	1	3	0	0	7	316
06:00	1	277	56	3	20	4	0	6	43	1	1	0	3	11	426
07:00	3	311	60	4	12	3	1	9	43	0	1	0	2	12	461
08:00	3	270	55	2	16	5	1	4	29	1	1	1	0	16	404
09:00	6	285	55	8	13	7	1	12	28	0	0	0	4	10	429
10:00	2	306	49	2	12	2	0	20	39	0	2	0	0	17	451
11:00	2	360	84	6	15	10	0	4	41	3	3	1	2	17	548
12 PM	5	396	77	8	16	2	0	14	34	2	2	0	1	17	574
13:00	3	350	66	2	18	4	0	10	27	0	1	1	3	9	494
14:00	4	376	76	5	20	4	2	9	40	0	3	0	2	11	552
15:00	6	392	68	3	28	3	0	23	28	3	1	1	2	27	585
16:00	10	526	80	5	12	8	0	11	27	0	0	1	2	27	709
17:00	7	469	59	0	8	4	0	10	39	1	0	2	1	16	616
18:00	4	349	36	4	5	2	0	10	31	0	1	0	3	10	455
19:00	6	277	44	2	6	2	0	9	34	1	0	0	1	9	391
20:00	3	231	31	1	2	2	0	6	49	0	1	0	0	8	334
21:00	3	172	15	6	4	3	0	8	35	0	0	1	0	13	260
22:00	3	110	10	2	1	1	0	9	25	0	4	1	0	11	177
23:00	1	48	6	4	2	0	0	6	28	1	1	0	0	4	101
Total	78	5922	1043	100	233	81	6	202	801	15	30	10	27	268	8816
Percent	0.9%	67.2%	11.8%	1.1%	2.6%	0.9%	0.1%	2.3%	9.1%	0.2%	0.3%	0.1%	0.3%	3.0%	
AM Peak	09:00	11:00	11:00	00:00	06:00	11:00	05:00	10:00	06:00	11:00	05:00	00:00	09:00	10:00	
Vol.	6	360	84	8	20	10	1	20	43	3	3	1	4	17	
PM Peak	16:00	16:00	16:00	12:00	15:00	16:00	14:00	15:00	20:00	15:00	22:00	17:00	13:00	15:00	
Vol.	10	526	80	8	28	8	2	23	49	3	4	2	3	27	

Jacobs Engineering
1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: New Count 2
US 301 just South of Peterson Road

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
07/31/13	0	33	2	7	2	1	0	2	29	0	1	0	0	4	81
01:00	0	17	1	7	3	0	0	2	24	0	2	0	0	3	59
02:00	0	17	5	7	4	0	0	9	39	0	0	0	0	10	91
03:00	0	59	11	6	6	0	0	4	33	0	0	0	0	5	124
04:00	2	140	29	6	4	7	0	8	30	0	3	0	0	11	240
05:00	1	195	63	3	14	10	1	11	34	0	3	1	1	12	349
06:00	1	294	51	3	18	8	0	10	41	0	1	1	1	16	445
07:00	3	253	55	6	21	6	2	14	39	1	0	0	3	13	416
08:00	4	310	57	2	16	14	0	7	34	0	2	0	0	15	461
09:00	1	320	49	3	16	5	0	14	43	0	1	1	0	9	462
10:00	6	355	61	2	11	6	0	14	54	1	1	1	2	19	533
11:00	2	436	71	7	21	5	1	11	42	2	2	0	2	17	619
12 PM	2	421	93	4	17	8	3	12	19	0	1	0	2	23	605
13:00	5	427	67	6	14	6	2	12	34	0	3	1	1	18	596
14:00	13	425	76	4	18	7	0	22	26	1	1	1	2	22	618
15:00	4	473	67	3	13	4	0	17	23	1	2	1	4	21	633
16:00	10	508	81	5	13	3	0	5	32	2	0	0	6	17	682
17:00	4	497	65	2	18	6	0	15	31	1	1	2	1	30	673
18:00	3	318	39	5	10	4	0	9	20	0	1	1	3	14	427
19:00	1	315	39	2	3	0	0	6	26	0	0	0	0	7	399
20:00	5	282	32	5	6	1	0	11	44	1	0	1	1	13	402
21:00	3	178	25	3	5	1	0	7	42	0	4	0	0	11	279
22:00	3	111	5	2	2	1	0	11	25	0	3	0	0	12	175
23:00	0	70	11	1	4	1	0	8	40	0	1	0	0	6	142
Total	73	6454	1055	101	259	104	9	241	804	10	33	11	29	328	9511
Percent	0.8%	67.9%	11.1%	1.1%	2.7%	1.1%	0.1%	2.5%	8.5%	0.1%	0.3%	0.1%	0.3%	3.4%	
AM Peak	10:00	11:00	11:00	00:00	07:00	08:00	07:00	07:00	10:00	11:00	04:00	05:00	07:00	10:00	
Vol.	6	436	71	7	21	14	2	14	54	2	3	1	3	19	
PM Peak	14:00	16:00	12:00	13:00	14:00	12:00	12:00	14:00	20:00	16:00	21:00	17:00	16:00	17:00	
Vol.	13	508	93	6	18	8	3	22	44	2	4	2	6	30	

Jacobs Engineering

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US 301 just South of Peterson Road

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Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/01/13	0	39	3	9	1	0	0	7	31	0	1	0	0	9	100
01:00	1	29	8	5	1	1	0	6	27	0	0	0	0	3	81
02:00	0	23	2	7	3	2	0	7	43	0	0	0	0	9	96
03:00	0	44	9	6	12	4	0	13	28	0	0	0	0	12	128
04:00	2	131	22	6	9	3	0	5	27	0	4	0	1	5	215
05:00	1	173	51	3	11	3	0	9	42	0	4	1	0	12	310
06:00	1	284	63	5	10	2	2	9	45	1	0	1	2	15	440
07:00	1	307	49	2	9	3	1	12	35	0	3	1	2	15	440
08:00	1	296	50	3	14	4	1	11	30	1	0	0	2	17	430
09:00	0	299	54	1	11	8	1	11	33	2	1	0	4	15	440
10:00	1	336	60	8	14	7	1	14	41	1	0	0	1	14	498
11:00	4	377	76	5	18	10	4	16	45	0	2	0	0	20	577
12 PM	3	395	77	6	16	5	2	10	37	1	2	0	2	11	567
13:00	2	401	69	2	17	11	2	5	62	2	1	0	4	14	592
14:00	0	454	73	2	14	9	0	12	35	2	2	1	3	14	621
15:00	4	417	74	0	16	5	1	13	40	2	1	2	0	13	588
16:00	1	478	68	4	13	3	1	13	28	0	2	0	6	25	642
17:00	4	556	62	4	20	1	0	8	26	1	1	3	2	15	703
18:00	3	404	36	4	8	3	0	10	27	1	0	0	3	18	517
19:00	2	326	46	2	4	3	0	6	24	0	0	0	1	9	423
20:00	0	263	31	3	2	1	0	6	46	2	1	0	2	7	364
21:00	0	188	22	3	2	1	0	6	36	0	1	1	1	12	273
22:00	1	127	18	5	0	2	0	8	32	0	5	0	0	5	203
23:00	2	63	5	1	3	2	0	6	31	0	1	1	0	5	120
Total	34	6410	1028	96	228	93	16	223	851	16	32	11	36	294	9368
Percent	0.4%	68.4%	11.0%	1.0%	2.4%	1.0%	0.2%	2.4%	9.1%	0.2%	0.3%	0.1%	0.4%	3.1%	
AM Peak	11:00	11:00	11:00	00:00	11:00	11:00	11:00	11:00	06:00	09:00	04:00	05:00	09:00	11:00	
Vol.	4	377	76	9	18	10	4	16	45	2	4	1	4	20	
PM Peak	15:00	17:00	12:00	12:00	17:00	13:00	12:00	15:00	13:00	13:00	22:00	17:00	16:00	16:00	
Vol.	4	556	77	6	20	11	2	13	62	2	5	3	6	25	

Jacobs Engineering
1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: New Count 2
US 301 just South of Peterson Road

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/02/13	1	39	4	6	0	1	0	6	20	0	1	0	1	2	81
01:00	0	26	4	6	1	0	0	7	28	0	0	1	0	2	75
02:00	0	26	4	7	3	0	0	2	31	0	0	0	1	4	78
03:00	0	41	13	9	6	1	0	4	34	0	0	0	1	2	111
04:00	2	112	17	3	3	2	0	3	35	1	2	0	0	6	186
05:00	0	186	53	1	16	7	0	9	31	0	5	0	0	11	319
06:00	2	294	64	1	13	2	0	3	33	1	0	0	0	8	421
07:00	1	295	53	3	7	6	0	7	28	3	1	0	3	12	419
08:00	4	315	57	5	19	4	1	11	30	3	0	0	2	11	462
09:00	0	375	68	0	9	6	0	9	36	4	0	0	4	11	522
10:00	4	421	59	1	15	10	0	10	27	5	2	0	1	22	577
11:00	6	510	87	6	13	6	0	20	36	0	3	1	2	9	699
12 PM	1	471	86	1	16	5	0	10	37	2	0	0	0	15	644
13:00	7	482	96	1	20	5	0	11	28	1	4	0	1	17	673
14:00	8	485	65	2	14	5	0	17	22	0	0	1	1	29	649
15:00	3	479	68	5	20	8	0	6	29	2	1	0	0	15	636
16:00	5	527	59	5	15	6	0	18	19	0	1	1	1	18	675
17:00	1	636	71	3	8	4	1	11	17	0	1	0	3	15	771
18:00	2	427	51	2	5	1	0	5	22	0	0	0	0	12	527
19:00	1	400	45	1	7	1	0	7	16	1	1	0	0	6	486
20:00	3	321	41	2	3	4	0	4	20	0	1	0	0	6	405
21:00	2	276	24	1	3	0	0	4	17	0	0	0	0	2	329
22:00	2	184	9	6	2	1	0	3	18	0	5	0	0	2	232
23:00	3	89	12	2	1	0	0	4	18	0	1	0	1	4	135
Total	58	7417	1110	79	219	85	2	191	632	23	29	4	22	241	10112
Percent	0.6%	73.3%	11.0%	0.8%	2.2%	0.8%	0.0%	1.9%	6.3%	0.2%	0.3%	0.0%	0.2%	2.4%	
AM Peak	11:00	11:00	11:00	03:00	08:00	10:00	08:00	11:00	09:00	10:00	05:00	01:00	09:00	10:00	
Vol.	6	510	87	9	19	10	1	20	36	5	5	1	4	22	
PM Peak	14:00	17:00	13:00	22:00	13:00	15:00	17:00	16:00	12:00	12:00	22:00	14:00	17:00	14:00	
Vol.	8	636	96	6	20	8	1	18	37	2	5	1	3	29	

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Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/03/13	1	59	6	7	1	0	0	3	12	0	2	1	0	2	94
01:00	0	44	3	6	2	0	0	1	9	0	0	1	0	0	66
02:00	0	34	4	7	1	0	0	1	15	1	0	0	0	1	64
03:00	1	40	6	4	5	0	0	2	15	0	0	0	0	2	75
04:00	2	68	13	1	1	1	0	1	15	1	1	0	1	3	108
05:00	1	80	15	5	3	2	0	0	15	1	1	0	1	3	127
06:00	0	154	33	2	12	4	1	4	18	1	2	0	0	7	238
07:00	1	226	42	3	8	1	0	7	14	0	0	1	0	9	312
08:00	1	281	61	2	11	4	0	7	13	0	1	0	1	8	390
09:00	0	384	63	2	17	2	0	5	17	0	0	0	0	5	495
10:00	1	502	65	0	10	4	0	6	16	0	0	0	1	16	621
11:00	4	505	98	4	19	2	6	8	20	0	0	0	2	17	685
12 PM	7	478	53	1	9	2	2	6	9	1	2	0	0	16	586
13:00	1	544	70	2	14	3	1	3	16	1	1	0	3	8	667
14:00	6	426	59	2	9	0	0	5	13	1	1	0	3	13	538
15:00	3	424	60	2	10	1	0	0	15	0	0	0	2	17	534
16:00	5	459	66	1	9	2	0	7	14	0	1	1	0	10	575
17:00	2	457	53	3	8	0	0	8	17	0	0	0	0	13	561
18:00	3	396	39	0	4	3	0	5	9	0	1	0	1	9	470
19:00	1	339	29	0	8	0	0	5	10	1	0	0	0	8	401
20:00	9	273	30	1	3	2	0	2	17	1	0	0	0	7	345
21:00	2	218	23	3	1	1	0	1	21	0	0	0	0	9	279
22:00	0	188	10	1	4	0	0	2	10	0	1	0	0	2	218
23:00	1	102	5	1	2	1	0	0	8	0	0	0	0	3	123
Total	52	6681	906	60	171	35	10	89	338	9	14	4	15	188	8572
Percent	0.6%	77.9%	10.6%	0.7%	2.0%	0.4%	0.1%	1.0%	3.9%	0.1%	0.2%	0.0%	0.2%	2.2%	
AM Peak	11:00	11:00	11:00	00:00	11:00	06:00	11:00	11:00	11:00	02:00	00:00	00:00	11:00	11:00	
Vol.	4	505	98	7	19	4	6	8	20	1	2	1	2	17	
PM Peak	20:00	13:00	13:00	17:00	13:00	13:00	12:00	17:00	21:00	12:00	12:00	16:00	13:00	15:00	
Vol.	9	544	70	3	14	3	2	8	21	1	2	1	3	17	

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Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/04/13	0	61	8	2	1	0	0	2	18	2	0	0	0	1	95
01:00	1	42	4	0	0	0	0	2	9	0	0	0	0	2	60
02:00	0	25	3	1	2	0	0	2	9	0	0	0	0	2	44
03:00	0	22	4	0	1	0	0	0	10	0	0	0	0	1	38
04:00	0	31	7	0	0	0	0	1	11	0	0	0	0	1	51
05:00	0	46	11	0	1	0	0	2	12	0	0	0	0	2	74
06:00	0	103	22	0	6	0	0	2	11	0	0	0	1	0	145
07:00	0	157	25	0	8	0	0	3	23	1	0	0	0	0	217
08:00	1	279	33	3	15	0	0	3	15	0	0	0	0	6	355
09:00	4	361	49	0	6	1	0	5	14	0	0	0	0	10	450
10:00	9	411	61	3	3	0	0	4	17	0	0	1	1	15	525
11:00	8	489	64	1	6	6	1	7	13	0	1	0	2	11	609
12 PM	3	563	55	0	4	0	0	9	12	0	1	0	1	12	660
13:00	12	496	71	1	8	2	0	6	17	1	3	0	1	20	638
14:00	12	491	64	3	11	1	0	9	17	0	0	1	3	20	632
15:00	18	557	65	1	4	2	0	11	15	5	0	0	4	23	705
16:00	24	547	61	1	2	3	0	8	26	1	0	0	1	34	708
17:00	20	605	55	1	3	4	0	5	19	1	0	0	0	27	740
18:00	11	452	59	4	5	4	0	7	40	0	0	0	1	24	607
19:00	6	418	45	5	9	2	0	6	35	1	0	0	2	10	539
20:00	2	269	43	5	6	0	0	7	30	1	0	1	1	11	376
21:00	3	205	19	4	4	2	0	4	31	1	0	0	1	12	286
22:00	0	134	22	1	2	0	0	5	26	1	0	0	0	7	198
23:00	1	62	7	5	1	1	0	3	31	1	0	0	0	3	115
Total	135	6826	857	41	108	28	1	113	461	16	5	3	19	254	8867
Percent	1.5%	77.0%	9.7%	0.5%	1.2%	0.3%	0.0%	1.3%	5.2%	0.2%	0.1%	0.0%	0.2%	2.9%	
AM Peak	10:00	11:00	11:00	08:00	08:00	11:00	11:00	11:00	07:00	00:00	11:00	10:00	11:00	10:00	
Vol.	9	489	64	3	15	6	1	7	23	2	1	1	2	15	
PM Peak	16:00	17:00	13:00	19:00	14:00	17:00		15:00	18:00	15:00	13:00	14:00	15:00	16:00	
Vol.	24	605	71	5	11	4		11	40	5	3	1	4	34	

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Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/05/13	0	38	0	5	2	1	0	0	36	0	0	1	0	0	83
01:00	0	18	2	9	1	0	0	0	30	0	0	0	0	1	61
02:00	0	24	5	4	3	0	0	4	33	0	0	0	0	1	74
03:00	1	53	6	11	5	0	1	3	28	0	0	0	0	5	113
04:00	4	115	32	2	9	4	0	2	40	2	0	0	0	4	214
05:00	2	196	62	0	18	3	0	3	32	0	0	0	0	6	322
06:00	3	288	59	2	19	7	2	14	34	0	0	0	3	18	449
07:00	5	302	46	2	13	4	5	7	32	1	0	0	4	16	437
08:00	1	319	58	3	15	3	1	7	46	2	0	1	5	12	473
09:00	5	342	54	2	10	6	2	10	38	0	1	0	0	14	484
10:00	1	375	75	0	13	2	2	8	41	1	2	0	2	16	538
11:00	5	422	82	3	17	15	2	9	40	3	2	0	1	13	614
12 PM	3	416	70	4	12	7	6	10	33	2	0	1	2	17	583
13:00	2	419	61	3	14	8	3	5	29	0	0	0	2	16	562
14:00	7	430	93	4	16	5	1	10	30	3	1	0	2	25	627
15:00	0	409	94	5	20	3	0	12	36	0	0	0	2	12	593
16:00	4	512	79	3	8	5	0	14	32	0	0	1	5	13	676
17:00	3	504	63	3	8	1	0	4	26	0	1	1	0	20	634
18:00	5	334	43	1	9	2	0	4	28	0	0	0	2	2	430
19:00	2	301	41	1	3	1	0	7	17	0	0	0	0	5	378
20:00	5	240	25	0	7	2	0	6	27	0	2	0	0	7	321
21:00	0	189	21	3	6	2	0	6	30	0	1	0	0	10	268
22:00	1	96	9	6	2	1	0	3	26	0	4	1	0	6	155
23:00	0	54	4	3	1	1	0	5	19	0	2	0	0	3	92
Total	59	6396	1084	79	231	83	25	153	763	14	16	6	30	242	9181
Percent	0.6%	69.7%	11.8%	0.9%	2.5%	0.9%	0.3%	1.7%	8.3%	0.2%	0.2%	0.1%	0.3%	2.6%	
AM Peak	07:00	11:00	11:00	03:00	06:00	11:00	07:00	06:00	08:00	11:00	10:00	00:00	08:00	06:00	
Vol.	5	422	82	11	19	15	5	14	46	3	2	1	5	18	
PM Peak	14:00	16:00	15:00	22:00	15:00	13:00	12:00	16:00	15:00	14:00	22:00	12:00	16:00	14:00	
Vol.	7	512	94	6	20	8	6	14	36	3	4	1	5	25	

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Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/06/13	0	26	2	7	0	1	0	3	19	0	1	0	0	3	62
01:00	0	15	4	3	1	1	0	2	31	0	0	1	0	2	60
02:00	0	17	3	9	2	0	0	8	31	1	0	0	0	5	76
03:00	1	52	9	8	3	1	1	7	34	0	0	0	0	10	126
04:00	1	115	26	1	7	3	0	4	35	0	1	1	0	5	199
05:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
06:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
07:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
08:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
09:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
10:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
11:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
12 PM	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
13:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
14:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
15:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
16:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
17:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
18:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
19:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
20:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
21:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
22:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
23:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Total	2	225	44	28	13	6	1	24	150	1	2	2	0	25	523
Percent	0.4%	43.0%	8.4%	5.4%	2.5%	1.1%	0.2%	4.6%	28.7%	0.2%	0.4%	0.4%	0.0%	4.8%	
AM Peak	03:00	04:00	04:00	02:00	04:00	04:00	03:00	02:00	04:00	02:00	00:00	01:00		03:00	
Vol.	1	115	26	9	7	3	1	8	35	1	1	1		10	
PM Peak Vol.															
Grand Total	528	49741	7597	608	1551	547	74	1310	5094	111	168	54	187	1961	69531
Percent	0.8%	71.5%	10.9%	0.9%	2.2%	0.8%	0.1%	1.9%	7.3%	0.2%	0.2%	0.1%	0.3%	2.8%	

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Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
07/29/13	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
01:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
02:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
03:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
04:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
05:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
06:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
07:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
08:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
09:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
10:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
11:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
12 PM	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
13:00	3	394	74	2	23	10	2	13	28	2	1	0	1	31	584
14:00	7	412	99	9	21	10	2	11	41	2	0	1	4	30	649
15:00	6	464	105	4	38	6	1	16	42	3	2	1	1	31	720
16:00	4	520	87	3	24	4	0	15	34	2	1	2	1	26	723
17:00	8	470	70	10	13	5	0	20	31	1	0	0	1	37	666
18:00	4	362	52	4	20	4	0	17	32	0	0	1	0	21	517
19:00	2	266	36	4	22	1	0	12	30	1	3	0	2	28	407
20:00	2	223	28	3	14	3	0	9	35	2	5	2	2	15	343
21:00	4	131	15	4	18	5	0	8	36	1	0	1	0	28	251
22:00	0	82	7	3	5	1	0	9	29	1	0	0	1	13	151
23:00	1	37	7	13	7	2	0	5	32	1	0	0	0	9	114
Total	41	3361	580	59	205	51	5	135	370	16	12	8	13	269	5125
Percent	0.8%	65.6%	11.3%	1.2%	4.0%	1.0%	0.1%	2.6%	7.2%	0.3%	0.2%	0.2%	0.3%	5.2%	
AM Peak															
Vol.															
PM Peak	17:00	16:00	15:00	23:00	15:00	13:00	13:00	17:00	15:00	15:00	20:00	16:00	14:00	17:00	
Vol.	8	520	105	13	38	10	2	20	42	3	5	2	4	37	

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Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
07/30/13	0	25	6	5	6	0	0	5	32	0	0	0	0	8	87
01:00	0	20	5	2	2	0	0	4	18	0	0	0	0	4	55
02:00	0	18	4	4	2	2	0	4	23	0	1	0	0	8	66
03:00	1	30	8	3	0	1	0	5	20	0	3	0	0	9	80
04:00	2	73	20	2	9	4	0	13	28	3	1	0	1	11	167
05:00	5	204	37	2	24	7	1	10	24	4	1	0	0	14	333
06:00	3	371	69	6	23	4	2	9	26	0	1	0	1	25	540
07:00	3	321	66	7	23	4	0	6	25	1	4	1	1	21	483
08:00	6	319	67	7	27	5	1	18	22	1	0	1	1	22	497
09:00	5	363	66	7	21	8	1	8	34	0	1	0	0	21	535
10:00	1	351	58	7	26	4	0	13	26	4	0	0	1	21	512
11:00	6	410	87	7	24	7	1	14	35	0	0	0	1	30	622
12 PM	6	386	77	7	32	12	0	17	28	4	1	1	1	28	600
13:00	2	364	77	7	28	7	0	6	37	0	1	0	1	20	550
14:00	6	393	82	6	25	10	0	13	28	0	1	1	2	25	592
15:00	9	447	94	9	27	7	0	7	42	0	2	0	0	31	675
16:00	9	575	89	4	27	6	0	11	35	1	1	1	2	27	788
17:00	6	548	100	4	11	9	0	5	38	1	0	1	2	30	755
18:00	10	319	53	2	19	4	0	17	32	0	0	0	1	20	477
19:00	5	251	37	7	9	0	0	7	34	2	1	0	2	10	365
20:00	4	199	21	7	12	1	0	8	39	0	4	2	0	10	307
21:00	2	135	20	0	4	1	0	11	26	1	0	0	2	10	212
22:00	2	101	8	7	8	0	0	3	28	1	0	0	1	13	172
23:00	0	48	6	6	4	0	0	6	28	0	0	0	0	8	106
Total	93	6271	1157	125	393	103	6	220	708	23	23	8	20	426	9576
Percent	1.0%	65.5%	12.1%	1.3%	4.1%	1.1%	0.1%	2.3%	7.4%	0.2%	0.2%	0.1%	0.2%	4.4%	
AM Peak	08:00	11:00	11:00	07:00	08:00	09:00	06:00	08:00	11:00	05:00	07:00	07:00	04:00	11:00	
Vol.	6	410	87	7	27	8	2	18	35	4	4	1	1	30	
PM Peak	18:00	16:00	17:00	15:00	12:00	12:00		12:00	15:00	12:00	20:00	20:00	14:00	15:00	
Vol.	10	575	100	9	32	12		17	42	4	4	2	2	31	

Jacobs Engineering

1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: New Count 2
US 301 just South of Peterson Road

Latitude: 0' 0.000 Undefined
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Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
07/31/13	1	30	4	4	0	1	0	4	19	1	0	0	0	4	68
01:00	0	16	3	3	4	0	0	3	27	0	0	0	0	3	59
02:00	0	21	3	1	3	0	0	5	18	0	1	0	0	3	55
03:00	0	34	8	2	3	1	0	6	18	0	2	0	1	8	83
04:00	3	82	18	1	10	7	0	2	27	1	4	0	0	8	163
05:00	3	206	45	6	20	4	0	6	18	2	1	1	2	12	326
06:00	2	380	72	8	19	5	1	15	25	0	2	0	0	18	547
07:00	2	349	88	12	36	10	2	22	21	4	2	1	0	15	564
08:00	5	347	76	7	14	8	3	11	19	2	1	0	0	8	501
09:00	4	355	70	3	28	7	0	10	32	3	1	0	1	25	539
10:00	5	376	60	9	21	8	4	13	36	2	0	0	0	19	553
11:00	2	412	97	5	29	4	1	13	32	1	0	1	0	28	625
12 PM	2	385	83	7	20	7	1	14	28	4	2	0	4	30	587
13:00	2	402	76	6	23	5	1	13	29	0	1	1	1	16	576
14:00	5	416	97	9	19	3	1	12	64	3	1	2	1	33	666
15:00	3	470	94	6	26	3	1	6	50	1	4	0	1	35	700
16:00	1	610	107	2	33	3	1	13	37	1	0	0	2	25	835
17:00	9	536	80	5	15	7	1	9	37	1	0	0	4	20	724
18:00	5	349	62	0	18	3	0	16	33	2	1	0	0	15	504
19:00	5	300	47	2	7	4	0	8	31	1	2	1	1	7	416
20:00	7	206	24	5	7	2	0	8	43	0	4	4	0	9	319
21:00	5	152	24	3	11	3	0	3	37	0	0	0	0	7	245
22:00	0	89	11	4	4	2	0	4	27	2	0	0	0	4	147
23:00	0	66	4	17	3	2	0	4	40	1	0	0	0	10	147
Total	71	6589	1253	127	373	99	17	220	748	32	29	11	18	362	9949
Percent	0.7%	66.2%	12.6%	1.3%	3.7%	1.0%	0.2%	2.2%	7.5%	0.3%	0.3%	0.1%	0.2%	3.6%	
AM Peak	08:00	11:00	11:00	07:00	07:00	07:00	10:00	07:00	10:00	07:00	04:00	05:00	05:00	11:00	
Vol.	5	412	97	12	36	10	4	22	36	4	4	1	2	28	
PM Peak	17:00	16:00	16:00	23:00	16:00	12:00	12:00	18:00	14:00	12:00	15:00	20:00	12:00	15:00	
Vol.	9	610	107	17	33	7	1	16	64	4	4	4	4	35	

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Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/01/13	0	39	5	3	4	0	0	5	18	0	0	1	0	8	83
01:00	3	22	2	3	6	2	0	3	22	0	0	0	0	5	68
02:00	0	15	6	4	4	1	0	4	18	1	0	0	0	5	58
03:00	0	27	10	2	3	0	0	5	23	1	2	0	1	4	78
04:00	0	68	24	3	6	3	0	5	24	0	3	0	0	6	142
05:00	1	187	34	5	12	7	1	4	18	1	0	1	0	10	281
06:00	3	362	65	5	19	9	1	6	12	1	2	0	1	15	501
07:00	2	338	65	6	21	4	3	7	13	0	0	1	0	12	472
08:00	0	321	81	3	24	2	2	12	23	1	1	1	0	7	478
09:00	1	321	71	8	16	5	1	18	26	1	1	0	0	18	487
10:00	4	406	70	6	22	13	3	12	33	2	0	0	0	15	586
11:00	1	383	86	5	21	4	1	7	32	3	0	0	3	18	564
12 PM	9	398	79	9	13	7	1	9	36	2	1	0	1	20	585
13:00	5	395	83	5	23	11	0	14	30	2	0	0	3	20	591
14:00	3	454	101	5	19	9	1	19	32	3	2	0	1	25	674
15:00	2	492	102	3	25	3	0	17	33	3	0	0	1	23	704
16:00	4	575	89	4	31	5	0	9	37	0	0	0	1	29	784
17:00	3	598	79	4	18	5	0	9	28	0	2	0	2	21	769
18:00	1	408	65	5	13	2	0	11	38	0	1	0	2	22	568
19:00	3	304	61	6	16	3	0	6	41	1	1	1	0	15	458
20:00	1	228	33	2	9	0	0	6	41	1	4	0	1	8	334
21:00	1	150	22	7	7	3	0	5	32	0	0	0	1	7	235
22:00	2	109	10	1	6	2	0	6	24	0	0	0	0	7	167
23:00	0	71	5	7	4	2	0	2	28	4	0	0	0	4	127
Total	49	6671	1248	111	342	102	14	201	662	27	20	5	18	324	9794
Percent	0.5%	68.1%	12.7%	1.1%	3.5%	1.0%	0.1%	2.1%	6.8%	0.3%	0.2%	0.1%	0.2%	3.3%	
AM Peak	10:00	10:00	11:00	09:00	08:00	10:00	07:00	09:00	10:00	11:00	04:00	00:00	11:00	09:00	
Vol.	4	406	86	8	24	13	3	18	33	3	3	1	3	18	
PM Peak	12:00	17:00	15:00	12:00	16:00	13:00	12:00	14:00	19:00	23:00	20:00	19:00	13:00	16:00	
Vol.	9	598	102	9	31	11	1	19	41	4	4	1	3	29	

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Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/02/13	0	53	13	6	0	0	0	1	23	0	0	0	0	2	98
01:00	0	29	6	5	6	1	0	2	13	0	0	0	0	6	68
02:00	0	19	6	6	2	0	0	2	17	0	0	0	0	3	55
03:00	0	39	13	4	0	2	0	12	18	0	2	0	0	5	95
04:00	2	72	19	2	7	3	0	7	31	0	2	0	0	9	154
05:00	2	204	41	1	16	5	0	7	21	2	1	0	4	8	312
06:00	1	385	71	4	22	6	0	15	17	0	0	2	0	15	538
07:00	4	365	63	4	23	11	1	17	15	0	1	0	0	13	517
08:00	4	389	84	8	24	9	0	9	22	2	1	1	0	19	572
09:00	8	460	80	6	17	8	1	10	33	1	0	1	1	25	651
10:00	14	468	86	4	21	6	0	9	26	2	0	0	0	20	656
11:00	6	526	109	3	15	8	2	7	36	6	0	1	0	21	740
12 PM	8	523	102	2	22	9	0	12	35	0	1	0	2	18	734
13:00	5	516	79	6	28	8	1	18	40	1	0	0	1	19	722
14:00	6	451	99	2	30	5	2	15	44	2	3	0	2	32	693
15:00	6	491	90	4	20	6	0	9	27	0	1	1	1	24	680
16:00	6	607	96	3	20	7	0	20	35	4	0	0	2	32	832
17:00	8	649	82	6	17	8	0	12	33	0	0	0	0	41	856
18:00	4	499	71	7	10	4	0	11	44	2	1	0	3	19	675
19:00	2	396	67	5	17	4	0	9	23	0	2	1	0	19	545
20:00	4	314	41	0	5	3	0	6	38	3	3	0	1	10	428
21:00	9	210	26	4	8	7	0	5	43	0	1	0	1	13	327
22:00	1	160	24	2	3	1	1	7	16	2	0	0	0	7	224
23:00	1	96	13	6	7	0	0	3	11	0	0	0	0	6	143
Total	101	7921	1381	100	340	121	8	225	661	27	19	7	18	386	11315
Percent	0.9%	70.0%	12.2%	0.9%	3.0%	1.1%	0.1%	2.0%	5.8%	0.2%	0.2%	0.1%	0.2%	3.4%	
AM Peak	10:00	11:00	11:00	08:00	08:00	07:00	11:00	07:00	11:00	11:00	03:00	06:00	05:00	09:00	
Vol.	14	526	109	8	24	11	2	17	36	6	2	2	4	25	
PM Peak	21:00	17:00	12:00	18:00	14:00	12:00	14:00	16:00	14:00	16:00	14:00	15:00	18:00	17:00	
Vol.	9	649	102	7	30	9	2	20	44	4	3	1	3	41	

Jacobs Engineering

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Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/03/13	0	86	8	3	4	1	0	4	15	0	0	0	0	5	126
01:00	0	57	7	3	1	3	0	3	18	0	0	0	0	7	99
02:00	0	32	8	1	2	0	0	6	8	0	0	0	0	3	60
03:00	1	36	13	0	0	1	0	4	13	0	3	0	0	4	75
04:00	4	67	25	2	3	9	0	7	15	1	2	0	0	6	141
05:00	3	128	33	4	4	4	0	8	13	1	0	0	1	6	205
06:00	2	264	33	0	10	1	0	8	13	1	1	0	0	4	337
07:00	4	275	46	1	9	4	0	7	17	1	1	0	1	12	378
08:00	11	417	77	3	15	2	0	8	16	2	0	1	0	18	570
09:00	5	531	77	3	15	2	0	6	20	1	0	1	0	10	671
10:00	3	575	109	0	18	2	0	8	18	2	2	0	3	11	751
11:00	6	654	89	2	14	4	0	10	18	1	0	0	2	21	821
12 PM	4	562	68	2	25	4	0	8	21	1	0	0	3	19	717
13:00	5	554	59	2	17	4	0	5	17	0	1	0	2	14	680
14:00	2	459	78	1	12	1	0	7	18	1	2	0	0	13	594
15:00	5	465	67	4	12	2	0	8	14	1	0	0	0	21	599
16:00	5	409	59	1	6	0	0	3	12	0	1	0	0	19	515
17:00	2	408	57	1	8	1	0	7	17	0	0	0	0	18	519
18:00	0	353	54	3	4	0	0	9	19	2	0	0	0	11	455
19:00	0	277	33	1	8	0	0	2	19	0	0	0	1	8	349
20:00	4	214	28	3	10	1	0	6	21	0	0	0	0	7	294
21:00	1	169	26	1	6	1	0	2	12	1	0	0	1	1	221
22:00	0	125	17	1	3	1	0	4	8	0	0	0	0	6	165
23:00	0	67	15	1	7	1	0	1	7	2	0	0	0	4	105
Total	67	7184	1086	43	213	49	0	141	369	18	13	2	14	248	9447
Percent	0.7%	76.0%	11.5%	0.5%	2.3%	0.5%	0.0%	1.5%	3.9%	0.2%	0.1%	0.0%	0.1%	2.6%	
AM Peak	08:00	11:00	10:00	05:00	10:00	04:00		11:00	09:00	08:00	03:00	08:00	10:00	11:00	
Vol.	11	654	109	4	18	9		10	20	2	3	1	3	21	
PM Peak	13:00	12:00	14:00	15:00	12:00	12:00		18:00	12:00	18:00	14:00		12:00	15:00	
Vol.	5	562	78	4	25	4		9	21	2	2		3	21	

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Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/04/13	0	56	9	0	1	0	0	3	4	0	0	0	0	2	75
01:00	0	38	7	1	1	0	0	2	3	0	0	0	0	2	54
02:00	0	19	4	0	1	0	0	7	5	0	0	0	0	2	38
03:00	0	18	17	1	1	0	0	2	7	0	0	0	0	0	46
04:00	1	36	9	0	3	2	0	4	7	3	0	0	0	3	68
05:00	1	115	11	1	5	0	0	3	5	0	1	1	0	3	146
06:00	1	169	22	0	6	0	0	2	6	0	0	0	1	5	212
07:00	3	185	30	2	10	1	0	2	6	1	0	0	0	1	241
08:00	12	310	55	0	14	1	0	6	9	2	0	0	0	3	412
09:00	7	427	66	2	9	2	0	9	11	2	0	0	1	11	547
10:00	23	517	76	2	6	0	0	3	6	0	1	0	1	20	655
11:00	22	446	65	1	9	3	0	11	14	0	1	0	0	19	591
12 PM	19	509	70	1	15	0	0	2	10	1	2	1	1	27	658
13:00	12	474	58	4	11	2	0	5	15	2	0	0	1	17	601
14:00	15	485	73	0	8	2	0	4	11	0	1	0	0	23	622
15:00	12	431	76	3	5	0	0	6	12	0	0	0	1	15	561
16:00	10	415	62	1	6	0	0	5	15	0	0	0	0	6	520
17:00	3	402	51	2	8	1	0	5	19	0	0	0	1	12	504
18:00	4	346	42	3	7	2	0	5	8	1	0	0	0	13	431
19:00	4	360	46	1	4	2	0	3	12	0	0	2	0	9	443
20:00	2	254	31	0	6	1	0	4	16	1	0	0	2	12	329
21:00	1	155	17	1	4	0	0	2	16	0	0	0	0	5	201
22:00	1	106	20	1	4	0	0	1	9	1	0	0	0	1	144
23:00	0	52	4	7	4	0	0	0	12	2	0	0	0	2	83
Total	153	6325	921	34	148	19	0	96	238	16	6	4	9	213	8182
Percent	1.9%	77.3%	11.3%	0.4%	1.8%	0.2%	0.0%	1.2%	2.9%	0.2%	0.1%	0.0%	0.1%	2.6%	
AM Peak	10:00	10:00	10:00	07:00	08:00	11:00		11:00	11:00	04:00	05:00	05:00	06:00	10:00	
Vol.	23	517	76	2	14	3		11	14	3	1	1	1	20	
PM Peak	12:00	12:00	15:00	23:00	12:00	13:00		15:00	17:00	13:00	12:00	19:00	20:00	12:00	
Vol.	19	509	76	7	15	2		6	19	2	2	2	2	27	

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Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/05/13	2	56	8	3	0	2	0	2	8	0	0	0	0	3	84
01:00	0	29	2	4	2	0	0	1	10	0	0	0	0	1	49
02:00	2	19	2	0	1	0	0	0	18	0	0	0	0	0	42
03:00	0	44	9	2	3	0	0	2	13	0	0	0	0	1	74
04:00	3	96	21	1	4	1	0	2	16	2	0	0	0	2	148
05:00	2	195	41	6	16	4	0	2	17	3	0	0	3	12	301
06:00	2	386	68	5	21	11	1	11	14	1	2	0	2	20	544
07:00	1	365	78	1	22	3	0	13	18	1	0	0	1	14	517
08:00	4	313	68	6	17	6	1	12	24	0	1	0	1	18	471
09:00	0	360	51	6	15	5	0	5	28	0	0	0	3	19	492
10:00	10	406	67	7	15	2	1	14	28	1	1	3	1	22	578
11:00	6	426	93	8	18	12	0	9	40	1	0	0	3	14	630
12 PM	6	470	73	5	21	12	3	9	40	2	1	0	1	13	656
13:00	7	381	81	2	21	5	2	14	32	0	1	0	2	20	568
14:00	7	424	97	4	19	7	1	15	35	4	1	0	0	21	635
15:00	12	443	97	2	28	10	0	13	46	2	0	0	1	24	678
16:00	6	602	88	5	29	6	0	8	37	0	0	0	3	21	805
17:00	4	247	42	7	20	4	1	12	22	1	0	0	1	317	678
18:00	2	124	39	3	11	2	0	11	26	0	0	0	0	265	483
19:00	1	100	38	8	19	0	0	14	21	0	1	0	0	223	425
20:00	3	75	21	7	15	4	0	8	20	1	2	0	0	174	330
21:00	3	44	11	3	18	2	0	7	15	1	0	0	0	136	240
22:00	1	26	5	2	10	2	0	5	16	2	0	0	0	91	160
23:00	0	24	3	3	6	2	0	4	8	0	0	0	0	64	114
Total	84	5655	1103	100	351	102	10	193	552	22	10	3	22	1495	9702
Percent	0.9%	58.3%	11.4%	1.0%	3.6%	1.1%	0.1%	2.0%	5.7%	0.2%	0.1%	0.0%	0.2%	15.4%	
AM Peak	10:00	11:00	11:00	11:00	07:00	11:00	06:00	10:00	11:00	05:00	06:00	10:00	05:00	10:00	
Vol.	10	426	93	8	22	12	1	14	40	3	2	3	3	22	
PM Peak	15:00	16:00	14:00	19:00	16:00	12:00	12:00	14:00	15:00	14:00	20:00		16:00	17:00	
Vol.	12	602	97	8	29	12	3	15	46	4	2		3	317	

Jacobs Engineering
1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: New Count 2
US 301 just South of Peterson Road

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/06/13	2	5	7	5	6	0	0	8	15	0	0	0	0	47	95
01:00	1	2	2	2	2	1	0	6	11	1	0	0	0	30	58
02:00	3	3	1	3	6	0	0	7	13	0	0	0	0	32	68
03:00	0	5	7	2	6	0	1	10	13	0	1	0	0	51	96
04:00	1	21	6	3	14	4	0	13	12	1	2	0	0	92	169
05:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
06:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
07:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
08:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
09:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
10:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
11:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
12 PM	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
13:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
14:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
15:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
16:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
17:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
18:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
19:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
20:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
21:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
22:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
23:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Total	7	36	23	15	34	5	1	44	64	2	3	0	0	252	486
Percent	1.4%	7.4%	4.7%	3.1%	7.0%	1.0%	0.2%	9.1%	13.2%	0.4%	0.6%	0.0%	0.0%	51.9%	
AM Peak	02:00	04:00	00:00	00:00	04:00	04:00	03:00	04:00	00:00	01:00	04:00			04:00	
Vol.	3	21	7	5	14	4	1	13	15	1	2			92	
PM Peak															
Vol.															
Grand Total	666	50013	8752	714	2399	651	61	1475	4372	183	135	48	132	3975	73576
Percent	0.9%	68.0%	11.9%	1.0%	3.3%	0.9%	0.1%	2.0%	5.9%	0.2%	0.2%	0.1%	0.2%	5.4%	

Jacobs Engineering

1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: New Count 3
US 301 just South of Marl Pit Road

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
07/30/13	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
01:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
02:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
03:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
04:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
05:00	1	197	46	4	9	4	4	5	34	0	0	0	0	29	333
06:00	3	308	60	7	17	4	5	9	49	0	0	0	0	44	506
07:00	1	284	64	5	16	4	4	8	45	0	0	0	0	39	470
08:00	4	285	59	5	16	4	4	7	47	0	0	0	0	42	473
09:00	3	323	62	6	18	4	4	8	48	0	0	0	0	48	524
10:00	4	298	60	6	16	4	5	8	44	0	0	0	0	47	492
11:00	3	348	95	6	20	6	7	9	53	0	0	0	0	48	595
12 PM	4	356	81	7	17	4	7	10	56	0	0	0	0	49	591
13:00	3	326	78	5	17	4	5	9	59	0	0	0	0	48	554
14:00	4	353	73	7	20	4	5	10	63	0	0	0	0	47	586
15:00	4	400	79	8	21	5	7	12	61	0	0	0	0	51	648
16:00	4	453	116	8	27	5	8	13	75	0	0	0	0	66	775
17:00	5	449	95	8	24	6	8	13	71	0	0	0	0	64	743
18:00	2	283	73	4	14	4	4	7	44	0	0	0	0	43	478
19:00	2	220	47	4	12	4	4	6	36	0	0	0	0	28	363
20:00	2	182	43	4	10	3	4	6	26	0	0	0	0	25	305
21:00	0	121	27	4	7	1	3	4	21	0	0	0	0	16	204
22:00	0	105	24	1	5	1	1	4	14	0	0	0	0	13	168
23:00	0	62	15	0	4	0	0	1	9	0	0	0	0	9	100
Total	49	5353	1197	99	290	71	89	149	855	0	0	0	0	756	8908
Percent	0.6%	60.1%	13.4%	1.1%	3.3%	0.8%	1.0%	1.7%	9.6%	0.0%	0.0%	0.0%	0.0%	8.5%	
AM Peak	08:00	11:00	11:00	06:00	11:00	11:00	11:00	06:00	11:00					09:00	
Vol.	4	348	95	7	20	6	7	9	53					48	
PM Peak	17:00	16:00	16:00	15:00	16:00	17:00	16:00	16:00	16:00					16:00	
Vol.	5	453	116	8	27	6	8	13	75					66	

Jacobs Engineering

1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: New Count 3
US 301 just South of Marl Pit Road

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
07/31/13	0	41	8	0	1	1	0	1	5	0	0	0	0	4	61
01:00	0	34	9	0	1	1	0	0	5	0	0	0	0	4	54
02:00	0	34	7	0	0	0	0	0	4	0	0	0	0	3	48
03:00	0	48	9	0	3	1	0	2	6	0	0	0	0	4	73
04:00	2	99	22	4	4	4	0	4	12	0	0	0	0	8	159
05:00	4	192	47	4	11	7	2	6	27	0	0	0	0	13	313
06:00	7	336	69	7	16	11	4	11	38	0	0	0	0	21	520
07:00	6	327	62	8	17	13	4	10	44	0	0	0	0	24	515
08:00	6	294	60	7	15	12	4	9	38	0	0	0	0	21	466
09:00	5	319	73	7	16	12	4	8	33	0	0	0	0	26	503
10:00	6	333	72	8	17	12	4	11	38	0	0	0	0	26	527
11:00	8	366	87	8	18	14	4	12	46	0	0	0	0	27	590
12 PM	8	350	80	7	17	13	4	11	40	0	0	0	0	24	554
13:00	8	335	69	7	16	12	4	11	44	0	0	0	0	27	533
14:00	8	398	71	10	20	14	4	12	49	0	0	0	0	27	613
15:00	9	424	83	9	23	16	4	12	49	0	0	0	0	27	656
16:00	11	500	102	10	26	17	5	14	54	0	0	0	0	32	771
17:00	8	432	100	9	21	17	5	12	44	0	0	0	0	29	677
18:00	6	287	61	7	16	10	4	9	36	0	0	0	0	25	461
19:00	5	257	57	5	12	8	4	8	27	0	0	0	0	20	403
20:00	4	199	42	4	10	7	3	6	22	0	0	0	0	14	311
21:00	4	143	30	4	8	5	1	4	16	0	0	0	0	11	226
22:00	1	84	18	3	4	4	0	4	11	0	0	0	0	6	135
23:00	1	89	18	1	4	4	0	4	12	0	0	0	0	5	138
Total	117	5921	1256	129	296	215	64	181	700	0	0	0	0	428	9307
Percent	1.3%	63.6%	13.5%	1.4%	3.2%	2.3%	0.7%	1.9%	7.5%	0.0%	0.0%	0.0%	0.0%	4.6%	
AM Peak	11:00	11:00	11:00	07:00	11:00	11:00	06:00	11:00	11:00					11:00	
Vol.	8	366	87	8	18	14	4	12	46					27	
PM Peak	16:00	16:00	16:00	14:00	16:00	16:00	16:00	16:00	16:00					16:00	
Vol.	11	500	102	10	26	17	5	14	54					32	

Jacobs Engineering

1247 Ward Avenue, Suite 100.
West Chester, PA, 19380

Site Code: New Count 3
US 301 just South of Marl Pit Road

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/01/13	0	48	13	0	2	0	0	0	4	0	0	0	0	6	73
01:00	0	40	9	0	2	0	0	0	3	0	0	0	0	5	59
02:00	0	34	7	0	2	0	0	0	4	0	0	0	0	4	51
03:00	0	47	10	0	3	0	0	0	4	0	0	0	0	4	68
04:00	0	81	16	0	4	1	0	3	9	0	0	0	0	11	125
05:00	4	163	39	3	7	4	3	5	16	0	0	0	0	17	261
06:00	4	283	64	4	12	5	4	8	32	0	0	0	0	34	450
07:00	4	261	60	5	13	5	4	8	29	0	0	0	0	29	418
08:00	5	297	58	4	13	5	4	8	34	0	0	0	0	31	459
09:00	5	282	65	4	14	5	4	8	29	0	0	0	0	28	444
10:00	6	345	74	5	16	8	4	9	29	0	0	0	0	32	528
11:00	6	320	63	4	17	8	4	8	28	0	0	0	0	37	495
12 PM	8	340	84	5	15	8	4	9	33	0	0	0	0	36	542
13:00	5	353	68	6	17	6	4	9	31	0	0	0	0	43	542
14:00	6	408	89	5	20	8	6	12	39	0	0	0	0	43	636
15:00	8	422	85	5	21	8	6	12	41	0	0	0	0	43	651
16:00	8	438	104	7	23	10	7	12	51	0	0	0	0	51	711
17:00	9	461	95	6	23	8	6	14	47	0	0	0	0	49	718
18:00	5	336	74	4	16	7	4	8	35	0	0	0	0	42	531
19:00	5	267	63	4	14	5	4	8	29	0	0	0	0	26	425
20:00	4	196	47	4	8	4	4	5	19	0	0	0	0	19	310
21:00	3	141	33	3	7	4	3	4	13	0	0	0	0	13	224
22:00	2	104	20	1	5	1	0	3	11	0	0	0	0	12	159
23:00	0	75	17	0	4	1	0	1	8	0	0	0	0	9	115
Total	97	5742	1257	79	278	111	75	154	578	0	0	0	0	624	8995
Percent	1.1%	63.8%	14.0%	0.9%	3.1%	1.2%	0.8%	1.7%	6.4%	0.0%	0.0%	0.0%	0.0%	6.9%	
AM Peak	10:00	10:00	10:00	07:00	11:00	10:00	06:00	10:00	08:00					11:00	
Vol.	6	345	74	5	17	8	4	9	34					37	
PM Peak	17:00	17:00	16:00	16:00	16:00	16:00	16:00	17:00	16:00					16:00	
Vol.	9	461	104	7	23	10	7	14	51					51	

Jacobs Engineering

1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: New Count 3
US 301 just South of Marl Pit Road

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Southbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/02/13	0	58	12	2	5	0	0	2	8	0	0	0	0	7	94
01:00	0	39	11	0	4	0	0	0	5	0	0	0	0	6	65
02:00	0	33	7	0	3	0	0	0	4	0	0	0	0	4	51
03:00	0	55	14	2	4	0	0	0	8	0	0	0	0	7	90
04:00	0	92	18	4	6	1	0	4	15	0	0	0	0	12	152
05:00	1	180	44	6	12	4	3	6	28	0	0	0	0	23	307
06:00	3	304	57	10	22	8	4	10	44	0	0	0	0	45	507
07:00	3	307	73	10	21	7	4	10	46	0	0	0	0	46	527
08:00	4	343	78	10	26	6	5	12	45	0	0	0	0	45	574
09:00	4	382	72	12	28	8	7	13	63	0	0	0	0	49	638
10:00	4	394	96	12	26	8	7	11	53	0	0	0	0	49	660
11:00	4	435	92	13	29	8	7	15	65	0	0	0	0	56	724
12 PM	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
13:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
14:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
15:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
16:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
17:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
18:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
19:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
20:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
21:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
22:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
23:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Total	23	2622	574	81	186	50	37	83	384	0	0	0	0	349	4389
Percent	0.5%	59.7%	13.1%	1.8%	4.2%	1.1%	0.8%	1.9%	8.7%	0.0%	0.0%	0.0%	0.0%	8.0%	
AM Peak	08:00	11:00	10:00	11:00	11:00	06:00	09:00	11:00	11:00					11:00	
Vol.	4	435	96	13	29	8	7	15	65					56	
PM Peak															
Vol.															
Grand Total	286	19638	4284	388	1050	447	265	567	2517	0	0	0	0	2157	31599
Percent	0.9%	62.1%	13.6%	1.2%	3.3%	1.4%	0.8%	1.8%	8.0%	0.0%	0.0%	0.0%	0.0%	6.8%	

Jacobs Engineering
1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: New Count 3
US 301 just South of Marl Pit Road

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
07/30/13	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
01:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
02:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
03:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
04:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
05:00	0	220	42	3	5	4	0	4	31	0	0	0	0	15	324
06:00	2	303	66	4	9	7	0	6	41	0	0	0	0	20	458
07:00	3	325	67	4	8	6	0	7	39	0	0	0	0	20	479
08:00	1	275	61	4	7	6	0	4	33	0	0	0	0	18	409
09:00	1	294	48	4	8	7	0	7	37	0	0	0	0	19	425
10:00	3	313	64	4	7	8	0	5	41	0	0	0	0	20	465
11:00	4	402	74	4	9	8	0	8	53	0	0	0	0	27	589
12 PM	4	411	82	4	11	9	0	8	51	0	0	0	0	26	606
13:00	2	348	61	4	8	8	0	8	44	0	0	0	0	25	508
14:00	4	376	71	4	11	8	0	8	50	0	0	0	0	24	556
15:00	3	404	85	4	11	8	0	8	54	0	0	0	0	24	601
16:00	4	495	96	6	13	11	2	9	62	0	0	0	0	35	733
17:00	3	424	83	5	11	9	0	8	58	0	0	0	0	31	632
18:00	2	325	54	4	8	7	0	6	43	0	0	0	0	22	471
19:00	2	277	51	3	7	6	0	5	37	0	0	0	0	20	408
20:00	1	228	42	4	7	4	0	4	30	0	0	0	0	17	337
21:00	0	178	35	3	5	4	0	4	22	0	0	0	0	12	263
22:00	0	127	21	0	4	4	0	4	16	0	0	0	0	9	185
23:00	0	72	13	0	2	1	0	0	10	0	0	0	0	4	102
Total	39	5797	1116	68	151	125	2	113	752	0	0	0	0	388	8551
Percent	0.5%	67.8%	13.1%	0.8%	1.8%	1.5%	0.0%	1.3%	8.8%	0.0%	0.0%	0.0%	0.0%	4.5%	
AM Peak	11:00	11:00	11:00	06:00	06:00	10:00		11:00	11:00					11:00	
Vol.	4	402	74	4	9	8		8	53					27	
PM Peak	12:00	16:00	16:00	16:00	16:00	16:00	16:00	16:00	16:00					16:00	
Vol.	4	495	96	6	13	11	2	9	62					35	

Jacobs Engineering
1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: New Count 3
US 301 just South of Marl Pit Road

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
07/31/13	0	56	10	0	1	0	0	0	9	0	0	0	0	4	80
01:00	0	39	8	0	0	0	0	0	7	0	0	0	0	3	57
02:00	0	63	12	1	1	1	0	0	11	0	0	0	0	5	94
03:00	1	84	16	2	2	3	0	1	14	0	0	0	0	9	132
04:00	1	158	27	4	4	4	0	3	30	0	0	0	0	14	245
05:00	3	243	44	6	7	6	0	4	41	0	0	0	0	22	376
06:00	4	311	70	7	9	8	2	5	50	0	0	0	0	28	494
07:00	4	296	54	6	8	9	0	4	51	0	0	0	0	28	460
08:00	4	318	67	8	9	9	1	4	54	0	0	0	0	30	504
09:00	4	329	66	8	11	9	3	5	53	0	0	0	0	28	516
10:00	5	377	63	10	11	10	2	4	65	0	0	0	0	34	581
11:00	5	435	84	9	14	12	4	7	66	0	0	0	0	43	679
12 PM	5	407	83	9	12	12	4	8	72	0	0	0	0	35	647
13:00	5	404	75	11	13	12	4	6	69	0	0	0	0	38	637
14:00	5	434	81	9	12	12	4	8	72	0	0	0	0	38	675
15:00	4	432	91	10	12	12	4	6	72	0	0	0	0	38	681
16:00	4	493	88	11	13	13	4	7	91	0	0	0	0	45	769
17:00	6	472	82	10	13	13	4	8	75	0	0	0	0	35	718
18:00	4	311	51	6	8	8	2	4	50	0	0	0	0	27	471
19:00	4	267	50	7	9	8	0	4	49	0	0	0	0	24	422
20:00	4	289	55	8	8	8	1	4	47	0	0	0	0	26	450
21:00	2	200	36	4	6	5	0	4	33	0	0	0	0	17	307
22:00	1	123	20	4	4	4	0	2	21	0	0	0	0	12	191
23:00	0	101	18	4	3	4	0	0	15	0	0	0	0	10	155
Total	75	6642	1251	154	190	182	39	98	1117	0	0	0	0	593	10341
Percent	0.7%	64.2%	12.1%	1.5%	1.8%	1.8%	0.4%	0.9%	10.8%	0.0%	0.0%	0.0%	0.0%	5.7%	
AM Peak	10:00	11:00	11:00	10:00	11:00	11:00	11:00	11:00	11:00					11:00	
Vol.	5	435	84	10	14	12	4	7	66					43	
PM Peak	17:00	16:00	15:00	13:00	13:00	16:00	12:00	12:00	16:00					16:00	
Vol.	6	493	91	11	13	13	4	8	91					45	

Jacobs Engineering

1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: New Count 3
US 301 just South of Marl Pit Road

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/01/13	0	68	14	0	4	0	0	0	12	0	0	0	0	6	104
01:00	0	57	14	0	4	0	0	0	9	0	0	0	0	4	88
02:00	0	70	11	0	4	0	0	0	11	0	0	0	0	5	101
03:00	0	93	20	0	5	0	0	1	15	0	0	0	0	9	143
04:00	2	150	30	0	6	0	1	3	25	0	0	0	0	15	232
05:00	3	217	46	2	11	0	4	4	38	0	0	0	0	18	343
06:00	4	313	59	3	15	2	4	5	52	0	0	0	0	28	485
07:00	4	315	56	4	16	3	4	5	49	0	0	0	0	26	482
08:00	4	304	62	4	14	1	4	4	51	0	0	0	0	27	475
09:00	4	295	64	3	13	3	4	4	52	0	0	0	0	25	467
10:00	4	349	78	3	16	2	4	4	57	0	0	0	0	31	548
11:00	4	408	82	4	20	4	4	5	66	0	0	0	0	36	633
12 PM	4	385	83	4	18	2	4	6	67	0	0	0	0	35	608
13:00	4	408	84	4	20	3	4	7	72	0	0	0	0	39	645
14:00	5	429	84	4	22	2	5	6	74	0	0	0	0	37	668
15:00	5	430	85	4	21	3	5	5	67	0	0	0	0	33	658
16:00	6	461	89	4	22	4	5	6	76	0	0	0	0	40	713
17:00	6	492	99	5	24	3	6	6	83	0	0	0	0	42	766
18:00	4	373	65	4	17	1	4	5	61	0	0	0	0	37	571
19:00	4	291	51	2	14	1	4	4	46	0	0	0	0	23	440
20:00	4	258	45	3	14	0	4	4	43	0	0	0	0	23	398
21:00	2	193	37	1	9	0	4	4	32	0	0	0	0	17	299
22:00	0	146	26	0	7	0	1	1	22	0	0	0	0	10	213
23:00	0	83	18	0	4	0	0	0	12	0	0	0	0	7	124
Total	73	6588	1302	58	320	34	75	89	1092	0	0	0	0	573	10204
Percent	0.7%	64.6%	12.8%	0.6%	3.1%	0.3%	0.7%	0.9%	10.7%	0.0%	0.0%	0.0%	0.0%	5.6%	
AM Peak	06:00	11:00	11:00	07:00	11:00	11:00	05:00	06:00	11:00					11:00	
Vol.	4	408	82	4	20	4	4	5	66					36	
PM Peak	16:00	17:00	17:00	17:00	17:00	16:00	17:00	13:00	17:00					17:00	
Vol.	6	492	99	5	24	4	6	7	83					42	

Jacobs Engineering

1247 Ward Avenue, Suite 100
West Chester, PA, 19380

Site Code: New Count 3
US 301 just South of Marl Pit Road

Latitude: 0' 0.000 Undefined
Longitude: 0' 0.000 Undefined

Northbound

Start Time	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	Not Classed	Total
08/02/13	0	58	12	0	1	1	0	0	5	0	0	0	0	4	81
01:00	0	51	10	0	2	0	0	0	5	0	0	0	0	4	72
02:00	0	55	10	0	1	0	0	0	7	0	0	0	0	3	76
03:00	0	77	16	0	3	2	0	1	8	0	0	0	0	5	112
04:00	0	130	25	0	4	4	0	4	12	0	0	0	0	8	187
05:00	1	220	42	1	7	6	3	4	19	0	0	0	0	12	315
06:00	1	286	64	4	10	7	4	6	32	0	0	0	0	17	431
07:00	0	300	57	1	10	8	4	6	28	0	0	0	0	16	430
08:00	3	331	63	1	11	8	4	7	35	0	0	0	0	21	484
09:00	3	366	69	3	13	9	4	8	38	0	0	0	0	23	536
10:00	4	411	68	2	13	10	4	9	41	0	0	0	0	26	588
11:00	2	491	87	4	15	12	6	10	50	0	0	0	0	27	704
12 PM	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
13:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
14:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
15:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
16:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
17:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
18:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
19:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
20:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
21:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
22:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
23:00	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Total	14	2776	523	16	90	67	29	55	280	0	0	0	0	166	4016
Percent	0.3%	69.1%	13.0%	0.4%	2.2%	1.7%	0.7%	1.4%	7.0%	0.0%	0.0%	0.0%	0.0%	4.1%	
AM Peak	10:00	11:00	11:00	06:00	11:00	11:00	11:00	11:00	11:00					11:00	
Vol.	4	491	87	4	15	12	6	10	50					27	
PM Peak															
Vol.															
Grand Total	201	21803	4192	296	751	408	145	355	3241	0	0	0	0	1720	33112
Percent	0.6%	65.8%	12.7%	0.9%	2.3%	1.2%	0.4%	1.1%	9.8%	0.0%	0.0%	0.0%	0.0%	5.2%	

Appendix D: Manual Class Count Data

Site	Count #	Time	North Bound			South Bound		
			Cars	Light Trucks	Heavy Trucks	Cars	Light Trucks	Heavy Trucks
#1 (South of Summit Bridge)	1.1	8:28 AM - 10:28 AM	347	46	22	269	29	12
	1.2		368	46	28	336	41	14
	1.3		341	54	24	356	52	29
	1.4		251	27	24	242	21	43
	1.5		92	10	9	112	7	4
		Total	**1399**	**183**	**107**	**1315**	**150**	**102**
#2 (South of Strawberry Ln)	2.1	10:50 AM - 12:50 PM	552	20	104	452	17	92
		Total	**552**	**20**	**104**	**452**	**17**	**92**
#1 (South of Summit Bridge)	3.1	1:30 PM - 3:30 PM	327	18	33	349	14	30
	3.2		337	23	31	370	17	36
	3.3		354	24	45	356	21	35
	3.4		292	7	23	322	4	19
		Total	**1310**	**72**	**132**	**1397**	**56**	**120**
#2 (South of Strawberry Ln)	4.1	3:48 PM - 5:48 PM	357	34	73	345	35	86
	4.2		346	14	51	203	13	78
		Total	**703**	**48**	**124**	**548**	**48**	**164**

Appendix E: Travel Time Data

Red Loop Clockwise #1				
Site No.	Location	Time	Travel Time	Comments
1	Start - DE 141 Interchange	8:21 AM	0:00	
2	SR 1 Interchange	8:24 AM	0:03	
3	DE 896 Interchange	8:30 AM	0:09	Toll Plaza @ 8:31, duration approx 30 seconds
4	Start of Susquehanna River Bridge	8:48 AM	0:27	
5	End of Susquehanna River Bridge	8:49 AM	0:28	Construction Zone @ 9:11, no delay
6	I-695 Interchange	9:12 AM	0:51	
7	Exit 62 to I-895	9:15 AM	0:54	
8	Start of Harbor Tunnel	9:20 AM	0:59	
9	End of Harbor Tunnel	9:22 AM	1:01	Toll Plaza @ 9:23, duration approx 20 seconds
10	MD 295 Interchange	9:27 AM	1:06	Moderate traffic due to accident
11	I-95 Interchange	9:57 AM	1:36	
12	US 50 Interchange	10:01 AM	1:40	
13	Start of Memorial Bridge	10:19 AM	1:58	
14	End of Memorial Bridge	10:20 AM	1:59	Toll Plaza @ 10:26, duration approx 30 seconds
15	Start of Bay Bridge	10:26 AM	2:05	
16	End of Bay Bridge	10:31 AM	2:10	
17	MD 313 (Galena Road)	11:12 AM	2:51	
18	Strawberry Lane	11:20 AM	2:59	
19	DE 299 (Main Street)	11:23 AM	3:02	
20	Marl Pit Road	11:28 AM	3:07	
21	DE 896 (Boyds Corner Road)	11:31 AM	3:10	
22	Center of Delware Canal Bridge	11:34 AM	3:13	
23	US 40 (Pulaski Highway)	11:40 AM	3:19	
24	I-95 Interchange	11:45 AM	3:24	
25	SR-1 Interchange	11:51 AM	3:30	
26	End - DE 141 Interchange	11:53 AM	3:32	

Red Loop Clockwise #2				
Site No.	Location	Time	Travel Time	Comments
1	Start - DE 141 Interchange	11:55 AM	0:00	
2	SR 1 Interchange	11:58 AM	0:03	
3	DE 896 Interchange	12:03 PM	0:08	Toll Plaza @ 12:05, duration approx 30 seconds
4	Start of Susquehanna River Bridge	12:22 PM	0:27	
5	End of Susquehanna River Bridge	12:23 PM	0:28	Construction Zone @ 12:43, no delay
6	I-695 Interchange	12:46 PM	0:51	
7	Start of Harbor Tunnel	12:53 PM	0:58	
8	End of Harbor Tunnel	12:55 PM	1:00	Toll Plaza @ 12:56, duration approx 30 seconds
9	MD 295 Interchange	1:01 PM	1:06	Heavy traffic
10	I-95 Interchange	1:33 PM	1:38	
11	US 50 Interchange	1:37 PM	1:42	
12	Start of Memorial Bridge	1:55 PM	2:00	
13	End of Memorial Bridge	1:56 PM	2:01	Toll Plaza @ 2:01, duration approx 40 seconds
14	Start of Bay Bridge	2:02 PM	2:07	
15	End of Bay Bridge	2:07 PM	2:12	Stopped for gas between 2:08 - 2:15
16	MD 313 (Galena Road)	2:56 PM	3:01	
17	Strawberry Lane	3:04 PM	3:09	
18	DE 299 (Main Street)	3:08 PM	3:13	
19	Marl Pit Road	3:11 PM	3:16	
20	DE 896 (Boyds Corner Road)	3:13 PM	3:18	
21	Center of Delware Canal Bridge	3:17 PM	3:22	
22	US 40 (Pulaski Highway)	3:23 PM	3:28	
23	I-95 Interchange	3:28 PM	3:33	
24	SR-1 Interchange	3:34 PM	3:39	
25	End - DE 141 Interchange	3:37 PM	3:42	

Red Loop Counter-Clockwise #1				
Site No.	Location	Time	Travel Time	Comments
1	Start - DE 141 Interchange	8:30 AM	0:00	
2	SR 1 Interchange	8:33 AM	0:03	
3	DE 896 Interchange	8:39 AM	0:09	
4	US 40 (Pulaski Highway)	8:44 AM	0:14	
5	Center of Delware Canal Bridge	8:50 AM	0:20	
6	DE 896 (Boyds Corner Road)	8:54 AM	0:24	
7	Marl Pit Road	8:57 AM	0:27	
8	DE 299 (Main Street)	9:01 AM	0:31	
9	Strawberry Lane	9:05 AM	0:35	
10	MD 313 (Galena Road)	9:13 AM	0:43	Stopped at Gas Station @ 9:43-9:50
11	Start of Bay Bridge	10:01 AM	1:31	
12	End of Bay Bridge	10:05 AM	1:35	
13	Start of Memorial Bridge	10:12 AM	1:42	
14	End of Memorial Bridge	10:12 AM	1:42	
15	I-95 Interchange	10:31 AM	2:01	
16	MD 295 Interchange	10:35 AM	2:05	V. Heavy Traffic @ 10:56-11:40
17	~~I-895 Interchange~~	**I-895 Closure - Alternative Route MD 295 N to I-95 N**		
18	~~Start of Harbor Tunnel~~	11:41 AM	3:11	MD-295 & I-95 Interchange (Toll Plaza @ 11:46)
19	~~End of Harbor Tunnel~~	11:50 AM	3:20	I-895 Entrance Ramp
20	I-695 Interchange	11:54 AM	3:24	Heavy Traffic @ 12:02-12:06
21	Start of Susquehanna River Bridge	12:23 PM	3:53	
22	End of Susquehanna River Bridge	12:24 PM	3:54	Toll Plaza @ 12:30 approx 2 mins
23	DE 896 Interchange	12:49 PM	4:19	Toll Plaza @ 12:47 approx 30 s
24	SR 1 Interchange	12:54 PM	4:24	
25	End - DE 141 Interchange	12:57 PM	4:27	

Red Loop Counter-Clockwise #2				
Site No.	Location	Time	Travel Time	Comments
1	Start - DE 141 Interchange	12:59 PM	0:00	
2	SR 1 Interchange	1:02 PM	0:03	
3	DE 896 Interchange	1:08 PM	0:09	
4	US 40 (Pulaski Highway)	1:14 PM	0:15	
5	Center of Delware Canal Bridge	1:19 PM	0:20	
6	DE 896 (Boyds Corner Road)	1:23 PM	0:24	
7	Marl Pit Road	1:26 PM	0:27	
8	DE 299 (Main Street)	1:29 PM	0:30	
9	Strawberry Lane	1:35 PM	0:36	
10	MD 313 (Galena Road)	1:42 PM	0:43	
11	Start of Bay Bridge	2:22 PM	1:23	
12	End of Bay Bridge	2:26 PM	1:27	
13	Start of Memorial Bridge	2:32 PM	1:33	
14	End of Memorial Bridge	2:32 PM	1:33	
15	I-95 Interchange	2:50 PM	1:51	Heavy Traffic @ 2:51-2:59
16	MD 295 Interchange	3:00 PM	2:01	Incremental heavy traffic @ 3:01-3:38
17	I-895 Interchange	3:38 PM	2:39	Toll Plaza @ 3:42 approx 30 s
18	Start of Harbor Tunnel	3:45 PM	2:46	
19	End of Harbor Tunnel	3:47 PM	2:48	
20	I-895 Entrance Ramp	3:51 PM	2:52	Heavy Traffic @ 3:51-3:55
21	I-695 Interchange	3:55 PM	2:56	
22	Start of Susquehanna River Bridge	4:19 PM	3:20	
23	End of Susquehanna River Bridge	4:20 PM	3:21	Toll Plaza @ 4:22 approx 1 min
24	DE 896 Interchange	4:40 PM	3:41	Toll Plaza @ 4:38 approx 30 s
25	SR 1 Interchange	4:45 PM	3:46	
26	End - DE 141 Interchange	4:48 PM	3:49	

Purple Loop Clockwise #1				
Site No.	Location	Time	Travel Time	Comments
1	DE 896 & I-95 Interchange	11:46 AM	0:00	
2	DE 1 Interchange	11:53 AM	0:07	
3	Center of Delware Canal Bridge	12:02 PM	0:16	
4	DE 896 Overpass	12:05 PM	0:19	
5	DE 299 Interchange	12:09 PM	0:23	
6	US 301	12:15 PM	0:29	
7	DE 282 - Wilson ST	12:20 PM	0:34	
8	Strawberry Lane - US 301	12:21 PM	0:35	
9	DE 299	12:26 PM	0:40	
10	Marl Pit Road	12:30 PM	0:44	
11	DE 896 (Boyds Corner Road)	12:35 PM	0:49	
12	Center of Delware Canal Bridge	12:38 PM	0:52	
13	US 40 (Pulaski Highway)	12:47 PM	1:01	
14	DE 896 & I-95 Interchange	12:52 PM	1:06	

Purple Loop Clockwise #2				
Site No.	Location	Time	Travel Time	Comments
1	DE 896 & I-95 Interchange	4:44 PM	0:00	
2	DE 1 Interchange	4:51 PM	0:07	
3	Center of Delware Canal Bridge	5:01 PM	0:17	
4	DE 896 Overpass	5:05 PM	0:21	
5	DE 299 Interchange	5:09 PM	0:25	
6	US 301	5:16 PM	0:32	
7	DE 282 - Wilson ST	5:21 PM	0:37	
8	Strawberry Lane - US 301	5:22 PM	0:38	
9	DE 299	5:27 PM	0:43	
10	Marl Pit Road	5:31 PM	0:47	
11	DE 896 (Boyds Corner Road)	5:34 PM	0:50	
12	Center of Delware Canal Bridge	5:38 PM	0:54	
13	US 40 (Pulaski Highway)	5:45 PM	1:01	
14	DE 896 & I-95 Interchange	5:48 PM	1:04	

Purple Loop Clockwise #3				
Site No.	Location	Time	Travel Time	Comments
1	DE 896 & I-95 Interchange	9:27 PM	0:00	
2	DE 1 Interchange	9:33 PM	0:06	
3	Center of Delware Canal Bridge	9:43 PM	0:16	
4	DE 896 Overpass	9:46 PM	0:19	
5	DE 299 Interchange	9:49 PM	0:22	
6	US 301	9:58 PM	0:31	
7	Strawberry Lane - US 301	10:03 PM	0:36	
8	DE 299	10:09 PM	0:42	
9	Marl Pit Road	10:13 PM	0:46	
10	DE 896 (Boyds Corner Road)	10:17 PM	0:50	
11	Center of Delware Canal Bridge	10:20 PM	0:53	
12	US 40 (Pulaski Highway)	10:27 PM	1:00	
13	DE 896 & I-95 Interchange	10:31 PM	1:04	

Purple Loop Counter-Clockwise #1				
Site No.	Location	Time	Travel Time	Comments
1	DE 896 & I-95 Interchange	10:32 AM	0:00	
2	US 40 (Pulaski Highway)	10:38 AM	0:06	
3	Center of Delware Canal Bridge	10:45 AM	0:13	
4	DE 896 (Boyds Corner Road)	10:49 AM	0:17	
5	Marl Pit Road	10:53 AM	0:21	
6	DE 299 (Main Street)	10:56 AM	0:24	
7	Strawberry Lane	11:01 AM	0:29	
8	DE 299 (Main Street)	11:12 AM	0:40	
9	DE 1 Interchange	11:18 AM	0:46	
10	DE 896 Overpass	11:21 AM	0:49	
11	Center of Delware Canal Bridge	11:25 AM	0:53	
12	I-95 Interchange	11:36 AM	1:04	
13	DE 896 Interchange	11:42 AM	1:10	

Purple Loop Counter-Clockwise #2				
Site No.	Location	Time	Travel Time	Comments
1	US 40 (Pulaski Highway)	3:44 PM	0:00	
2	Center of Delware Canal Bridge	3:49 PM	0:05	
3	DE 896 (Boyds Corner Road)	3:53 PM	0:09	
4	Marl Pit Road	3:56 PM	0:12	
5	DE 299 (Main Street)	3:59 PM	0:15	
6	DE 282 - Wilson St	4:04 PM	0:20	
7	Strawberry Lane	4:05 PM	0:21	
8	DE 299 (Main Street)	4:10 PM	0:26	
9	DE 1 Interchange	4:17 PM	0:33	
10	DE 896 Overpass	4:21 PM	0:37	
11	Center of Delware Canal Bridge	4:24 PM	0:40	
12	I-95 Interchange	4:34 PM	0:50	
13	DE 896 Interchange	4:41 PM	0:57	

Purple Loop Counter-Clockwise #2				
Site No.	Location	Time	Travel Time	Comments
1	DE 896 & I-95 Interchange	8:13 PM	0:00	
2	US 40 (Pulaski Highway)	8:21 PM	0:08	
3	Center of Delware Canal Bridge	8:28 PM	0:15	
4	DE 896 (Boyds Corner Road)	8:32 PM	0:19	
5	Marl Pit Road	8:35 PM	0:22	
6	DE 299 (Main Street)	8:39 PM	0:26	
7	Strawberry Lane	8:43 PM	0:30	
8	DE 299 (Main Street)	8:49 PM	0:36	
9	DE 1 Interchange	8:57 PM	0:44	
10	DE 896 Overpass	9:00 PM	0:47	
11	Center of Delware Canal Bridge	9:05 PM	0:52	
12	I-95 Interchange	9:14 PM	1:01	
13	DE 896 Interchange	9:22 PM	1:09	

Blue Loop Clockwise				
Site No.	Location	Time	Travel Time	Comments
1	DE 896 (Boyds Corner Road)	7:23 PM	0:00	
2	DE 896 - Cedar Lane Road	7:25 PM	0:02	
3	DE 1 Interchange	7:29 PM	0:06	
4	Cedar Lane Road	7:33 PM	0:10	
5	Marl Pit Road	7:36 PM	0:13	
6	US 301	7:38 PM	0:15	
7	DE 299	7:43 PM	0:20	
8	Marl Pit Road	7:51 PM	0:28	
9	DE 299 - US 301 Interchange	7:54 PM	0:31	

Blue Loop Counter-Clockwise				
Site No.	**Location**	**Time**	**Travel Time**	**Comments**
1	DE 299 - US 301 Interchange	2:46 PM	0:00	
2	Marl Pit Road	2:50 PM	0:04	
3	Cedar lane Road	2:52 PM	0:06	
4	DE 896 (Boyds Corner Road)	2:55 PM	0:09	
5	DE 1 Interchange	2:57 PM	0:11	
6	DE 896 - Cedar Lane Road	3:01 PM	0:15	
7	US 301	3:04 PM	0:18	
8	Marl Pit Road	3:07 PM	0:21	
9	DE 299 - US 301 Interchange	3:14 PM	0:28	

Orange Loop Clockwise				
Site No.	Location	Time	Travel Time	Comments
1	US 301	6:03 PM	0:00	
2	Center Delaware Canal Bridge	6:09 PM	0:06	
3	DE 896 (Boyds Corner Road)	6:12 PM	0:09	
4	Marl Pit Road	6:14 PM	0:11	
5	DE 299	6:18 PM	0:15	
6	Strawberry Lane	6:22 PM	0:19	
7	DE 313	6:30 PM	0:27	
8	Center Delaware Canal Bridge	6:57 PM	0:54	
9	US 40	7:04 PM	1:01	
10	US 301 Interchange	7:12 PM	1:09	

Orange Loop Counter Clockwise				
Site No.	**Location**	**Time**	**Travel Time**	**Comments**
1	US 40 - Glasgow Avenue	1:05 PM	0:00	
2	DE 213	1:13 PM	0:08	
3	Center Delaware Canal Bridge	1:19 PM	0:14	
4	US 301 S	1:44 PM	0:39	
5	US 301 N (U Turn)	1:45 PM	0:40	
6	Strawberry Lane	1:53 PM	0:48	
7	DE 299	1:57 PM	0:52	
8	Marl Pit Road	2:01 PM	0:56	
9	DE 896 (Boyds Corner Road)	2:05 PM	1:00	
10	Center Delaware Canal Bridge	2:08 PM	1:03	
11	US 40	2:14 PM	1:09	

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JACOBS

September 9, 2015

Delaware Department of Transportation
800 Bay Road
Dover, DE 19903
Attn: Mark Tudor

Subject: **US 301 Toll Road:**
Supplemental Letter to Updated Toll Traffic and Revenue Study, May 2015

Dear Mr. Tudor:

As requested, we have reviewed our projections of traffic and toll revenue provided to you in our May 2015 Toll Traffic and Revenue Report (the "May 2015 Report"). Two items of note have occurred since the completion of our May 2015 Report.

Effective July 1, 2015, the Maryland Transportation Authority lowered tolls on the Bay Bridge, which carries US 301 from Annapolis, MD across the Chesapeake Bay to the Delmarva Peninsula. We do not believe that this change in tolls will cause a negative impact to US 301 traffic. Lower tolls on the Bay Bridge may lead to slightly higher traffic volumes on US 301 which would work in the Project's favor, but do not warrant a change to the projections provided in our May 2015 Report.

It should also be noted that in the time since the May 2015 Report was issued, the decision has been made to move forward with All Electronic Toll (AET) Collection for the Project.

This letter reaffirms the conclusions made in the May 2015 Report. Nothing has occurred in the interim that would cause us to change our underlying assumptions for the forecast in the May 2015 Report or negatively impact the traffic and revenue projection presented, therefore the estimated toll traffic and revenue estimates for the project remain valid.

Thank you for the opportunity to provide this letter and please feel free to contact me should you have any questions or comments.

Sincerely,

Richard J. Gobeille

Richard J. Gobeille, PE
National Toll / Finance Manager
Jacobs Engineering

2 Penn Plaza
Suite 603
New York, NY 10121
1.212.944.2000 Fax 1.212.302.4645

Jacobs Engineering Group Inc.

Limits and Disclaimers

In Jacobs' opinion, the assumptions underlying the study provide a reasonable basis for the analysis. However, any financial projection is subject to uncertainties. Inevitably, some assumptions used to develop the projections will not be realized, and unanticipated events and circumstances may occur. There are likely to be differences between the projections and actual results, and those differences may be material. Because of these uncertainties, Jacobs makes no guaranty or warranty with respect to the projections in this Letter.

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Master Indenture of Trust, dated as of December 1 2015, between the Delaware Transportation Authority (the "Authority") and Wilmington Trust, National Association, as trustee (the "Trustee"), as supplemented and amended by the First Supplemental Indenture, dated as of December 1, 2015, and the Second Supplemental Indenture, dated as of December 1 2015 (hereinafter collectively referred to as the "Indenture"), between the Authority and the Trustee. This summary is not intended to be complete or definitive, is supplemental to the summary of other provisions of the Indenture contained elsewhere in this Official Statement, and is qualified in its entirety by reference to the full terms of the Indenture. Copies of the Indenture are available for examination at the offices of the Trustee and the Authority.

Definitions

"Accreted Amount" shall mean, with respect to any Capital Appreciation Bond or Convertible Capital Appreciation Bond, the amount representing principal and interest on such Capital Appreciation Bond or Convertible Capital Appreciation Bond at and prior to the maturity thereof, in the case of a Capital Appreciation Bond, or the expiration of the Accretion Period thereof, in the case of a Convertible Capital Appreciation Bond, being, as of any date of computation an amount equal to the principal amount of such Bond at its initial offering plus the interest accrued thereon from the Delivery Date thereof to the June 1 or December 1 next preceding the date of computation (or, if the date of computation is June 1 or December 1, to said date), such interest to accrue at the rate per annum established as provided in a Supplemental Indenture, compounded periodically, plus, with respect to matters relating to the payment upon redemption of such Capital Appreciation Bond or Convertible Capital Appreciation Bond, if such date of computation shall not be June 1 or December 1, the ratable portion of the difference between the Accreted Amount as of the immediately preceding June 1 or December 1 (or the Delivery Date thereof if the date of computation is prior to the first June 1 or December 1 succeeding the Delivery Date) and the Accreted Amount as of the immediately succeeding June 1 or December 1, calculated based on the assumption that the Accreted Amount accrues during any period in equal daily amounts on the basis of a year of twelve 30-day months.

"Accretion Period" shall mean with respect to any particular Convertible Capital Appreciation Bond, the period from the Delivery Date thereof through the date specified in the document providing for the sale of such Convertible Capital Appreciation Bond (which date must be prior to the maturity date thereof), after which interest accruing on such Convertible Capital Appreciation Bond shall be payable semiannually, with the first such payment date being the applicable Interest Payment Date immediately succeeding the expiration of the Accretion Period.

"Act" shall have the meaning as set forth in the recitals hereto, as it may be amended from time to time.

"Adjusted Net Toll Revenues" shall mean, for any period, the remainder of (i) (A) the Tolls collected by the Authority and deposited to the Revenue Fund during such period and (B) the earnings derived in such period from the investment of moneys on deposit in the Debt Service Fund, the Reserve Fund and the Repair and Replacement Fund (in each case to the extent on deposit in the Revenue Fund) minus (ii) the Current Expenses for such period paid from Revenues.

"Annual Debt Service" shall mean (i) the amount of principal (or Accreted Amount, as applicable) and interest becoming due with respect to Bonds (exclusive of TIFIA Indebtedness as addressed in (v) below) in a Fiscal Year, calculated by the Authority or by a Financial Consultant as provided in this definition, plus (ii) Reimbursement Obligations payable or estimated by the Authority to be payable in such Fiscal Year (but only to the extent they are not duplicative of such principal (or Accreted Amount, as applicable) and interest), plus (iii) the amounts, if any, payable or estimated by the Authority to be payable by the Authority in such Fiscal Year with respect to Parity Swap Agreements, minus (iv) the amounts, if any, payable or estimated by the Authority to be payable to the Authority in such Fiscal Year with respect to Parity Swap Agreements, provided that the difference between the amounts described in clauses (iii) and (iv) shall be included only to the extent that such difference would not be recognized as a result of the application of the assumptions set forth below, plus (v) subject to paragraph (h) below, the amount of principal (or Accreted Amount, as applicable) and interest becoming due with respect to TIFIA Indebtedness in a Fiscal Year as provided in the schedule of payments as set forth in the TIFIA Loan Agreement. The following assumptions shall be used to determine the Annual Debt Service becoming due in any Fiscal Year:

(a) there shall be excluded from Annual Debt Service for all purposes hereof any amounts which are payable exclusively from a fund or account (other than the Debt Service Fund or a Series Credit Facility Fund on parity with such fund) that has been funded exclusively with amounts that do not constitute Revenues and which amounts are not subject to reimbursement by the Authority in whole or in part from Revenues;

(b) payments of principal (or Accreted Amount, as applicable) or interest which are due on or before the fifteenth day of a Fiscal Year shall be assumed to be due on the last day of the immediately preceding Fiscal Year;

(c) in determining the principal amount (or Accreted Amount, as applicable) due with respect to Bonds in each Fiscal Year, (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) payment shall be assumed to be made in accordance with any amortization schedule established for such debt, including any scheduled redemption of Bonds on the basis of Accreted Amount, and for such purpose the redemption payment shall be deemed a principal payment;

(d) if any of the Outstanding Bonds constitute Balloon Indebtedness, or if Bonds then proposed to be issued would constitute Balloon Indebtedness, then such amounts thereof as constitute Balloon Indebtedness shall be treated as if such Bonds were to be amortized in substantially equal annual installments of debt service over a term equal to the number of years then remaining to the maturity of such Bonds;

(e) if any Outstanding Bond constitutes Tender Indebtedness or if any Bond then proposed to be issued would constitute Tender Indebtedness, then for purposes of determining the amounts of principal (or Accreted Amount, as applicable) and interest due in any Fiscal Year on such Bond, the options or obligations of the owners of such Bonds to tender the same for purchase or payment prior to their stated maturity or maturities shall be treated as having a principal maturity (but any such amount treated as having a maturity shall not be eligible for treatment as Balloon Indebtedness) occurring on the first date on which owners of such Bonds may or are required to tender such Bonds, except that any such option or obligation to tender Bonds shall be ignored and not treated as a principal maturity if both (a) such Bonds are rated in one of the two highest long-term Rating Categories by each Rating Agency which has assigned a rating to any such Outstanding Bond at the request of the Authority or such Bonds are rated in the highest short-term, note or commercial paper Rating Category by each Rating Agency which has assigned a rating to any such Outstanding Bond at the request of the Authority, and (b) any obligation the Authority may have, other than its obligation on such Bonds, to reimburse any person for having extended a credit facility or a liquidity facility or a bond insurance policy, or similar arrangement, shall be either a Reimbursement Obligation with respect to an obligation incurred under and meeting the tests and conditions set forth in Article 2 (in which case the obligations of the Authority to make principal payments (or Accreted Amount, as applicable) thereunder shall be treated as principal maturities) or a subordinate obligation issued pursuant to Section 5.16;

(f) if any Outstanding Bond constitutes Variable Rate Indebtedness, or if any Bond proposed to be issued will constitute Variable Rate Indebtedness, the interest rate on such Bond shall be assumed to be the Assumed Variable Rate, provided that if the maximum interest rate payable by the Authority with respect to any or all of such Bonds has been limited pursuant to an Approved Swap Agreement, then the interest rate to be used for the aforesaid computation with respect to the Variable Rate Indebtedness covered by such Approved Swap Agreement shall not exceed the sum of (A) the maximum interest rate as so limited, and (B) the annual charges payable by the Authority pursuant to said Parity Swap Agreement, expressed as a percentage of the principal amount of the Variable Rate Indebtedness which is covered thereby, and provided further that if any or all of such Variable Rate Indebtedness then constitute Pledged Bonds, the interest rate to be used for the aforesaid computation with respect to the principal amount of such Pledged Bond shall be the rate then applicable to the Authority's Reimbursement Obligation under its Reimbursement Agreement with the Bank in question;

(g) if moneys or Government Obligations have been irrevocably deposited with and are held by the Trustee or another fiduciary to be used to pay principal (or Accreted Amount, as applicable) and/or interest on any specified Bond or Bonds or the fees and expenses of a Bank or a remarketing agent, then the principal (or Accreted

Amount, as applicable) and/or interest to be paid from such moneys, from Government Obligations or from the earnings thereon shall be disregarded and not included in calculating Annual Debt Service; and

(h) unless a Bankruptcy-Related Event shall have occurred, principal (or Accreted Amount, as applicable) and interest becoming due with respect to the TIFIA Indebtedness in a Fiscal Year shall not be included in the calculation of Annual Debt Service for purposes of calculating the Reserve Fund Requirement under the Indenture.

"Annual Operating Budget" shall mean the Authority's budget for a Fiscal Year of Current Expenses adopted pursuant to the provisions hereof.

"Approved Swap Agreement" shall mean either (i) an interest rate swap agreement, interest rate cap or other agreement of a type described in Section 2.12 with respect to which the Authority's obligations to make payments is a subordinate obligation issued pursuant to Section 5.16 or (ii) a Parity Swap Agreement that, in the case of any agreement described in clause (i) or (ii) above, has been approved as not causing a reduction or withdrawal of the rating then assigned to Bonds by each Rating Agency that has assigned a rating to any Outstanding Bonds.

"Assumed Variable Rate" shall mean (a) in the case of Bonds the interest on which was, in the opinion of Bond Counsel delivered at the time of the issuance thereof, excluded from gross income for federal income tax purposes, the rate which is the average of The Securities Industry and Financial Markets Association Municipal Swap Index ("Municipal Swap Index") for the 52 weeks ending with the week preceding the date of calculation plus 100 bps, provided that if the Municipal Swap Index shall cease to be published, the index to be used in its place shall be that index which the Authority (in consultation with the remarketing agent(s) for any Variable Rate Indebtedness then Outstanding) determines most closely replicates it, as set forth in a certificate of an Authorized Authority Representative filed with the Trustee and (b) in the case of Bonds not described in clause (a), the one-month London Interbank Offered Rate plus 100 bps.

"Authority" shall mean the Delaware Transportation Authority a public instrumentality and body corporate and politic of the State, and any successor to its functions.

"Authority Attorney" shall mean legal counsel to the Authority.

"Authorized Authority Representative" shall mean the Secretary, the Director of Finance, Transportation Trust Fund Administrator of the Department or such other officer or employee of the Department or Authority or other person who has been designated an agent of the Authority with respect to particular matters by a resolution of the Authority.

"Balloon Indebtedness" shall mean any Series of Bonds 25% or more of the principal (or Accreted Amount, as applicable) of which matures in the same Fiscal Year and is not required by the documents pursuant to which such Series was issued to be amortized by payment or redemption prior to that Fiscal Year, provided that such Series of Bonds will not constitute Balloon Indebtedness if the Annual Debt Service for such Series of Bonds in the Fiscal Year referred to above (disregarding clause (d) of the definition of Annual Debt Service for such calculation) is less than 125% of the Annual Debt Service for such Series of Bonds for the immediately preceding Fiscal Year.

"Bank" shall mean, as to any particular Series of Bonds, each person (other than a Bond Insurer) providing a Credit Facility with respect to such Bonds.

"Bank Fee" shall mean any commission, fee or expense payable to a Bank pursuant to a Reimbursement Agreement (but not amounts payable as reimbursement for amounts drawn under a Credit Facility or interest on such amounts).

"Bankruptcy-Related Event" shall mean:

(a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Authority or any of its debts, or of a substantial part of the assets of the Authority, under any Insolvency Law or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestratror, conservator or similar official for the Authority for a substantial part of the assets of the Authority, and, in any case referred to in the foregoing sub-clauses (i) and (ii), such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; or

(b) the Authority shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestratror, conservator or similar official for the Authority or for a substantial part of the assets of the Authority, (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due; (iii) fail to make two (2) consecutive payments of interest on or principal of any outstanding TIFIA Indebtedness; (iv) make a general assignment for the benefit of creditors, (v) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, (vi) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any Insolvency Law, (vii) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing sub-clauses (i) through (vi), inclusive, of this clause (b), or (viii) take any action for the purpose of effecting any of the foregoing, including seeking approval or legislative enactment by any governmental authority to authorize commencement of a voluntary proceeding under any Insolvency Law; or

(c) (i) the Trustee shall commence a process pursuant to which all or a substantial part of the Pledged Facility or Pledged Funds may be sold or otherwise disposed of in a public or private sale or disposition pursuant to a foreclosure of any liens or security interest thereon securing the Bonds and Parity Obligations, or (ii) the Trustee shall commence a process pursuant to which all or a substantial part of the Pledged Facility or Pledged Funds may be transferred pursuant to a sale or disposition in lieu of foreclosure; or

(d) the Trustee shall transfer, pursuant to directions issued by the Bond Owners, funds on deposit in any of the funds or accounts established under the Indenture upon the occurrence and during the continuation of an Event of Default for application to the prepayment or repayment of any principal amount (or Accreted Amount, as applicable) of Bonds other than in accordance with the provisions of the Indenture.

"Bond" or "Bonds" shall mean indebtedness and securities of any kind or class, including bonds, notes, bond anticipation notes, commercial paper, and other obligations issued under the provisions of Article 2 of the Indenture and the TIFIA Indebtedness subject to the priorities set forth in Section 4.11. "Bond" or "Bonds" shall not include any Subordinated Indebtedness other than TIFIA Indebtedness; provided, however, in Sections 4.2, 4.3, 4.4, 4.8, 4.11, 5.16, 6.1 and 10.2, and Article VIII in the Indenture, to the extent that TIFIA Indebtedness and the TIFIA Series 2015 Bond are referenced separately and distinctly from references to a Bond or Bonds in such provisions, references to a Bond or Bonds in such instances shall not include TIFIA Indebtedness or the TIFIA Series 2015 Bond, as the case may be.

"Bond Counsel" shall mean a firm of attorneys who are nationally recognized as experts in the area of municipal finance and who are familiar with the transactions contemplated under the Indenture and who are acceptable to the Authority and the Bond Insurer.

"Bond Insurer" shall mean as to any particular maturity or any particular Series of Bonds, the person undertaking to insure such Bonds as designated in a Supplemental Indenture providing for the issuance of such Bonds.

"Bond Owner," "holder," "Owner" or "registered owner" shall mean the person in whose name any Bond or Bonds are registered on the books maintained by the Registrar.

"Bond Proceeds Funded Account" shall mean the account created within the Reserve Fund and so designated by Section 4.4.

"Bond Register" shall mean the register maintained pursuant to Section 2.4.

"Book-Entry-Only System" shall mean a system similar to the system described in the Indenture pursuant to which Bonds are registered in book-entry form.

"Business Day" shall mean any day other than a Saturday, a Sunday, or a day on which banking institutions are authorized or required by law to be closed in either the State of New York or the State of Delaware; provided that such term may have a different meaning for any specified Series of Bonds if so provided by a Supplemental Indenture.

"Capital Appreciation Bond" shall mean a Bond, the interest on which (i) shall be compounded periodically, (ii) shall be payable only at maturity or redemption prior to maturity, and (iii) shall be determined by subtracting from the Accreted Amount thereof the original principal amount thereof.

"Capitalized Interest" shall mean the portion of the proceeds from the sale of each Series of Bonds and any cash on hand at the applicable Delivery Date that, in each case, is designated as such at the time of issuance of each such Series.

"Capitalized Interest Account" shall mean the account so designated in the Debt Service Fund.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations proposed or in effect with respect thereto.

"Completion Bond" shall mean any Bond issued pursuant to Section 2.10(a) in whole or in part to finance Costs of the U.S. 301 Project subsequent to the issuance of the Series 2015 Bonds.

"Construction Fund" shall mean the fund created and so designated by Section 4.1.

"Convertible Capital Appreciation Bond" shall mean any Bond as to which accrued interest is not paid until the expiration of the specified Accretion Period and, prior thereto, is compounded periodically on certain designated dates.

"Cost" shall mean, with respect to any Pledged Facility, to the extent permitted by the Act, all or any part of:

(a) the cost of construction, reconstruction, restoration, repair and rehabilitation of such facility or portion thereof;

(b) the cost of acquisition of all real or personal property, rights, rights-of-way, franchises, easements and interests acquired or used for such facility or portion thereof;

(c) the cost of demolishing or removing any structures on land so acquired, including the cost of acquiring any land to which the structures may be removed;

(d) any cost necessary or desirable to satisfy conditions associated with the issuance of any permit for the construction thereof (including the costs of environmental mitigation required in connection therewith);

(e) the cost of all machinery and equipment, vehicles, materials and rolling stock;

(f) financing charges (including costs associated with the issuance of Bonds (including fees for any policy of bond insurance relating thereto and the initial fees for any Credit Facility relating thereto), as well as the initial costs of obtaining one or more Approved Swap Agreements and all fees and expenses payable by the Authority pursuant to any Reimbursement Agreement), interest on Bonds and on any Reimbursement Obligation for the period prior to, during and for a period of up to three (3) years after completion of construction (or such longer period as may be allowed by applicable law), provisions for working capital, reserves for principal and interest and for extensions, enlargements, additions, replacements, renovations and improvements;

(g) the cost of architectural, engineering, environmental, financial and legal services;

(h) the cost of any plans, specifications or estimates and administrative and other expenses which are necessary or incidental to the determination of the feasibility of constructing such facility or portion thereof or incidental to the obtaining of construction contracts or to the construction (including construction administration and inspection), acquisition or financing thereof and which constitute capital costs;

(i) Current Expenses, provided that the Trustee has received an opinion of Bond Counsel (which opinion may address either specific Current Expenses or categories of Current Expenses) to the effect that the treatment of such Current Expenses as a Cost will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes;

(j) the repayment of any loan or advance for any of the foregoing; and

(k) with respect to the use of Bond proceeds, such other costs and expenses as are permitted by the Act at the time such Bonds are issued.

"Credit Facility" shall mean, as to any particular Series of Bonds, a letter of credit, a line of credit, a guaranty or another credit or liquidity-enhancement facility (other than an insurance policy issued by a Bond Insurer), as described in the Supplemental Indenture providing for the issuance of such Bonds.

"Current Expenses" shall mean the Authority's reasonable and necessary current operating expenses, determined in accordance with generally accepted accounting principles, with respect to the Pledged Facility, which may include payments with respect to financing leases and installment purchase agreements (but only leases and installment purchase agreements pertaining to toll collection and revenue management systems, including transponders), transponder purchases, annually recurring premiums and reserves for insurance, fees and expenses of the Trustee, the Registrar, the Paying Agent, remarketing agents, tender agents, and broker- dealers and amounts required to be deposited into the Rebate Account pursuant hereto and any other such operating expenses required or permitted to be paid by the Authority under the provisions of the Indenture and the Act, but shall not include depreciation or any reserves for extraordinary maintenance or repair.

"Current Interest Bond" shall mean a Bond the interest on which is payable periodically and which is not a Convertible Capital Appreciation Bond.

"Debt Service Fund" shall mean the fund created and so designated pursuant to Section 4.3.

"Default" or "Event of Default" shall mean any occurrence or event specified in Section 8.1.

"Defeasance Securities" shall mean:

1. Cash,

2. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – "SLGs"),

3. Direct obligations of the Treasury, which have been stripped by the Treasury itself, CATS, TIGRS and similar securities,

4. Resolution Funding Corp. strips, which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable,

5. Pre-refunded municipal bonds rated Aaa by Moody's, AAA by S&P and, if rated by Fitch, AAA by Fitch. If, however, the issue is only rated by S&P (i.e., there is no Moody's or Fitch rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals, and

6. Obligations issued by the following agencies, which obligations are backed by the full faith and credit of the U.S. and having a rating of at least AAA or its equivalent by a Rating Agency:

   a. U.S. Export-Import Bank (Eximbank)
   Direct obligations or fully guaranteed certificates of beneficial ownership,

   b. Farmers Home Administration (FmHA)
   Certificates of beneficial ownership,

   c. Federal Financing Bank,

   d. General Services Administration
   Participation certificates,

   e. U.S. Maritime Administration
   Guaranteed Title XI financing,

   f. U.S. Department of Housing and Urban Development (HUD)
   Project Notes,
   Local Authority Bonds,
   New Communities Debentures - U.S. government guaranteed debentures,
   U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds, and

   g. Agency for International Development.

"Delivery Date" shall mean the date on which a Series of Bonds is delivered to the original purchasers thereof.

"Department" shall mean the Delaware Department of Transportation.

"Engineering Consultant" shall mean a firm of engineers of favorable reputation for skill and experience in performing the duties for which an Engineering Consultant is required to be employed pursuant to the provisions of the Indenture and that is retained by the Authority as an Engineering Consultant for the purposes of the Indenture.

"Excess Deposit" shall mean, with respect to a calendar month, the amount, if any, by which the sum of the Revenues deposited into an account for the payment of interest on Bonds in the Debt Service Fund plus the amount on deposit in any related Capitalized Interest Account exceeds the amount of interest which actually accrued on the applicable Outstanding Bonds during such calendar month.

"Financial Consultant" shall mean a firm of financial advisors of favorable national reputation for skill and experience in performing the duties for which a Financial Consultant is required to be employed pursuant to the provisions hereof and that is retained by the Authority as a Financial Consultant for the purposes hereof.

"Fiscal Year" shall mean the period of time beginning on July 1 of each given year and ending on June 30 of the immediately subsequent year, or such other similar period as the Authority designates as its fiscal year.

"Fitch" shall mean Fitch ICBA and its successors and assigns and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized rating agency designated by the Authority.

"Fixed Rate Indebtedness" shall mean (i) any indebtedness incurred pursuant to the Indenture other than Variable Rate Indebtedness and (ii) indebtedness incurred pursuant to the Indenture which, except for this clause (ii), would be Variable Rate Indebtedness but with respect to which the Authority has entered into an Approved Swap Agreement pursuant to which agreement the Authority makes interest payments with respect to the entire principal amount (or Accreted Amount, as applicable) of such indebtedness based on one or more rates of interest each of which is established at a single numerical rate for the entire remaining term of such agreement, provided that such Variable Rate Indebtedness shall be deemed to be Fixed Rate Indebtedness only while such Approved Swap Agreement remains in effect and only if the counterparty thereto is not in default thereunder.

"Government Obligations" shall mean (a) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or obligations the payment of the principal of and the interest on which is fully guaranteed by the United States of America; (b) obligations of the Resolution Funding Corporation ("REFCORP"); (c) obligations of state or local government municipal bond issuers, provision for the payment of the principal of and the premium, if any, and the interest on which shall have been made by deposit with a trustee or escrow agent of Government Obligations described in (a) or (b) above, the maturing principal of and interest on which, when due and payable, will provide sufficient money to pay the principal of, premium, if any, and interest on such obligations of state or local government municipal bond issuers, provided that such obligations shall be rated in the highest Rating Category by each and every Rating Agency then rating any Series of Bonds at the request of the Authority; (d) U.S. Treasury Strips; and (e) REFCORP Strips (stripped by the Federal Reserve Bank of New York).

"Indenture" shall mean this Master Indenture of Trust together with all amendments and supplements hereto.

"Insolvency Laws" means the United States Bankruptcy Code, 11 U.S.C. §101 *et seq.*, as from time to time amended and in effect, and any state bankruptcy, insolvency, receivership or similar law now or hereafter in effect.

"Interest Account" shall mean the account so designated in the Debt Service Fund.

"Interest Payment Date" shall mean each June 1 and December 1, commencing for each Series of Bonds and any TIFIA Indebtedness, on the date or dates set forth in the document providing for the issuance thereof, provided that in the case of Variable Rate Indebtedness "Interest Payment Date" shall mean each date on which interest thereon is payable, as set forth in the document providing for the issuance thereof.

"Mail" shall mean by first-class United States mail, postage prepaid.

"Maximum Annual Debt Service" shall mean the maximum amount of Annual Debt Service with respect to any indebtedness of the Authority issued under the Indenture for any Fiscal Year during the term of such indebtedness.

"Minimum Toll Rates" shall mean the toll rates for each type of vehicle, each time of day and each toll collection facility that are specified in Appendix A to the Indenture.

"Moody's" shall mean Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized rating agency designated by the Authority.

"Net Toll Revenues" shall mean, for any period, the Tolls for such period minus the Current Expenses for such period.

"New U.S. 301" shall mean (i) a new toll road of U.S. 301 from the Maryland State Line to SR 1, comprising of a new U.S. 301 mainline, which is a limited-access highway on a new location with two lanes in each direction that will connect existing U.S. 301 at the Delaware/Maryland line with SR 1, south of the C&D Canal, a distance of 14 miles, including the construction of any necessary support-facility for the mainline and (ii) a new U.S. 301 Spur Road, which is a limited-access highway, on a new location with one lane in each direction from New U.S. 301 in the vicinity of Armstrong Corner Road to the Summit Bridge crossing of the C&D Canal, a distance of 3.5 miles, including for both (i) and (ii) above, interchanges, related collector-distributor roads, auxiliary lanes, and toll collection facilities.

"1988 Trust Agreement" shall mean the Trust Agreement, dated as of August 1, 1988, between the Authority and Wilmington Trust Company, together with all agreements supplemental thereto as permitted therein, including Supplemental Agreement No. 27 entered into in connection with the issuance of the 2015 Bonds and the TIFIA Series 2015 Bond.

"1988 Trustee" shall mean Wilmington Trust Company or any successor trustee to the 1988 Trust Agreement.

"Operating Fund" shall mean the fund created and so designated in Section 4.2.

"Outstanding" or "Bonds Outstanding" or "Outstanding Bonds" shall mean, as of any date, all Bonds which have been authenticated and delivered under the Indenture, except:

(a) Bonds cancelled or purchased by the Trustee for cancellation or delivered to or acquired by the Trustee for cancellation as of such date and, in all cases, with the intent to extinguish the debt represented thereby;

(b) Bonds deemed to be paid as of such date in accordance with Article 7;

(c) Bonds in lieu of which other Bonds have been authenticated and delivered under Section 2.5;

(d) Bonds that have become due (at maturity, on redemption, or otherwise) and for the payment of which sufficient moneys, including interest accrued to the due date, are held as of such date by the Trustee or a Paying Agent;

(e) Bonds which, under the terms of the Supplemental Indenture pursuant to which they were issued, are deemed to be no longer outstanding as of such date; and

(f) for purposes of any consent or other action to be taken by the Owners of a specified percentage of Bonds under the Indenture, Bonds held by or for the account of the Authority or by any person controlling, controlled by or under common control with the Authority, unless such Bonds are pledged to secure a debt to an unrelated party, in which case such Bonds shall, for purposes of consents and other Bond Owner action, be deemed to be Outstanding and owned by the party to which such Bonds are pledged.

"Parity Obligations" shall mean the Series 2015 Bonds, additional Bonds issued under the Indenture, any Parity Swap Agreements, any Reimbursement Obligations, and, upon the occurrence of a Bankruptcy-Related Event, the TIFIA Series 2015 Bond and any additional TIFIA Indebtedness issued under the Indenture and subject to a springing lien upon the occurrence of a Bankruptcy-Related Event.

"Parity Swap Agreement" shall mean an interest rate swap agreement, interest rate cap or other agreement of a type described in Section 2.12 which satisfies the requirements established in Section 2.12 in order that some or all of the amounts payable by the Authority pursuant to such agreement may be secured by, first, the Pledged Funds and second, the Pledged TTF Revenues, on parity with the Bonds to which such agreement relates.

"Parity Swap Agreement Counterparty" shall mean the counterparty to a Parity Swap Agreement with the Authority or with the Trustee.

"Paying Agent" or "Paying Agents" shall mean the Trustee and/or any entity appointed by the Authority as a Paying Agent pursuant to Section 9.11.

"Permitted Investments" shall mean Government Obligations and:

(a) bonds, debentures or notes or other evidence of indebtedness issued by any one or a combination of any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America: U.S. Export Import Bank (direct obligations or fully guaranteed certificates of beneficial ownership), Federal Financing Bank, Farmer's Home Administration (certificates of beneficial ownership), Federal Housing Administration Debentures, General Services

Administration (participation certificates) U.S. Maritime Administration (guaranteed Title XI financing), U.S. Department of Housing and Urban Development (project notes, local authority bonds, new communities debentures-U.S. government guaranteed debentures, U.S. public housing notes and bonds-U.S. government guaranteed public housing notes and bonds) and Government National Mortgage Association (GNMA-guaranteed mortgage-backed bonds, GNMA-guaranteed pass-through obligations);

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself): Federal Home Loan Bank System (Senior debt obligations); Federal Home Loan Mortgage Corporation (Participation Certificates, Senior debt obligations); Federal National Mortgage Association (Mortgage-backed securities and senior debt obligations); Student Loan Marketing Association (Senior debt obligations); Resolution Funding Corp. (obligations); and Farm Credit System (Consolidated system-wide bonds and notes);

(c) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, including funds for which the Trustee, its parent, its affiliates or its subsidiaries provide investment advisory or other management services, and which have a rating by S&P of AAAm-G; AAA-m; or AA-m and, if rated by Moody's, rated Aaa, Aa1 or Aa2 and, if rated by Fitch, rated AAA or AA;

(d) Certificates of deposit secured at all times by Government Obligations and/or by collateral described in (a) above. Such certificates must be issued by commercial banks (including the Trustee, its parent, its affiliates or its subsidiaries), savings and loan associations or mutual savings banks. The collateral must be held by a third party and the Bondholders must have a perfected first security interest in the collateral;

(e) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF;

(f) Investment agreements, including guaranteed investment contracts ("GIC's"), forward purchase agreements and reserve fund put agreements acceptable to the Bond Insurer;

(g) Commercial paper rated, at the time of purchase, Prime - 1 or better by Moody's and A-1 or better by S&P and, if rated by Fitch, rated F-1 or better;

(h) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies and, if rated by Fitch, in one of the two highest rating categories assigned by it.

(i) Federal funds or banker's acceptance with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of Prime - 1 or A3 or better by Moody's and A-1 or A or better by S&P and, if rated by Fitch, a rating of F-1 or A or better;

(j) Repurchase Agreements ("Repos") meeting the following criteria:

1. Repos must be between the Authority or Trustee and a dealer bank or securities firm:

a. <u>Primary dealers</u> on the Federal Reserve reporting dealer list which are rated A or better by S&P and Moody's and, if rated by Fitch, rated A or better; or

b. <u>Banks</u> rated "A" or above by S&P and Moody's and, if rated by Fitch, rated A or above;

2. <u>The written repo contract must include the following:</u>

a. Securities which are acceptable for transfer are:

(1) Direct U.S. governments; or

(2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC);

b. The term of the repo may be up to 30 days (a repo in excess of thirty days must be approved by the Bond Insurer);

c. The collateral must be delivered to the Authority or the Trustee (if Trustee is not supplying the collateral) or third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities);

d. Valuation of Collateral

(1) The securities must be valued weekly, marked-to-market at current market price plus accrued interest;

(a) The value of collateral must be equal to 104% of the amount of cash transferred by the Authority or the Trustee to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by the Authority or the Trustee, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%;

3. Legal opinion which must be delivered to the Authority and Trustee:

a. Repo meets guidelines under state law for legal investment of public funds;

(k) Medium-term obligations of a maximum maturity of five years issued by corporations organized and operating within the United States, or by depository institutions licensed by the United States or any state and operating in the United States, which are rated in one of the three highest applicable Rating Categories, or approved in writing, by S&P and, if rated by Fitch, rated in one of the three highest applicable Rating Categories; and

(l) Any such other investment as an Authorized Authority Representative shall certify to the Trustee or the Authority, as the case may be, as being permitted by the Act, provided that such investment is approved in writing by each Rating Agency which has assigned a rating to the Bonds at the request of the Authority and by the Bond Insurer.

"Pledged Bonds" shall mean a Bond purchased by the Paying Agent with amounts received pursuant to a drawing under a Credit Facility and pledged to or registered in the name of a Bank which is a provider of such Credit Facility or its designee.

"Pledged Facility" shall mean the New U.S. 301, which is being partly financed with the proceeds of Bonds.

"Pledged Funds" shall mean (i) all Revenues and (ii) moneys on deposit in any fund or account held by or for the benefit of the Trustee under the Indenture except the Rebate Fund and any Series Credit Facility Fund.

"Pledged TTF Revenues" shall mean the "Receipts and Revenues of the Authority" as defined in the 1988 Trust Agreement as all moneys paid or payable to Wilmington Trust Company, as 1988 Trustee under the 1988 Trust Agreement, by or for the account of the Authority, including, but not limited to, all revenues from the motor fuel tax, Delaware Turnpike, and document fees (all as more fully described in the 1988 Trust Agreement), the proceeds of all drawings by or advances to the 1988 Trustee, as trustee under the 1988 Trust Agreement, under a credit facility in satisfaction of the Authority's obligations to make payments under the 1988 Trust Agreement (other than drawings or advances under credit facilities ensuring payment of principal of and interest on bonds issued pursuant to the 1988 Trust Agreement), all Additional Revenues (as defined in the 1988 Trust Agreement) and all receipts of the 1988 Trustee, as trustee under the 1988 Trust Agreement, which, under the provisions of the 1988 Trust Agreement, reduce the amount of such payments.

"Post-BRE Reserve Fund Requirement" shall have the meaning as set forth in the Indenture.

"Prepayment Account" shall mean the account so designated in the Debt Service Fund.

"Principal Account" shall mean the account so designated in the Debt Service Fund.

"Principal Obligation" shall mean the sum of the principal amount of Current Interest Bonds and the Accreted Amount of Capital Appreciation Bonds and Convertible Capital Appreciation Bonds Outstanding under the Indenture as of any date of calculation. With respect to the TIFIA Series 2015 Bond, "Principal Obligation" shall mean the Outstanding TIFIA Loan Balance as such term is defined in the TIFIA Loan Agreement.

"Principal Office" shall mean, in the case of the Trustee, the Trustee's principal corporate trust office in Wilmington, Delaware, and in the case of a Paying Agent or a Registrar, the office so designated pursuant to Section 9.11 or 9.12, as the case may be, provided that, with respect to the presentation of Bonds for payment or for registration of transfer and exchange, such term shall mean the office or agency of the Trustee, Paying Agent or Registrar at which, at any particular time, its corporate trust business is being conducted.

"Rating Agency" shall mean Fitch, Moody's, S&P or such other nationally recognized securities rating agency as may be so designated in writing to the Trustee by an Authorized Authority Representative.

"Rating Category" shall mean each major rating classification established by a Rating Agency, determined without regard to gradations such as "1," "2" and "3" or "plus" and "minus."

"Rebate Fund" shall mean the fund created and so designated pursuant to Section 4.7.

"Rebate Regulations" shall mean the Treasury Regulations issued under Section 148(f) of the Code.

"Record Date" shall mean, with respect to any Series of Bonds, the date so specified in the document providing for the issuance of such Series.

"Refunding Bond" shall mean any Bond which is issued solely for the purposes of (i) providing funds for the payment of principal (or Accreted Amount, as applicable), interest and redemption premium with respect to Outstanding Bonds of any one or more Series, or a portion of any Series, or Subordinated Indebtedness of the Authority in accordance with and as permitted by the Act and the Supplemental Indenture under which such Refunding Bonds are issued, (ii) paying the costs of issuing such Refunding Bonds and (iii) funding a reserve fund for such Refunding Bonds.

"Registrar" shall mean the Trustee and/or any entity appointed by the Authority as a Registrar pursuant to the Indenture.

"Reimbursement Agreement" shall mean an agreement between the Authority and one or more Banks pursuant to which, among other things, such Bank or Banks issue a Credit Facility with respect to Bonds of one or more Series and the Authority agrees to reimburse such Bank or Banks for any drawings made thereunder, including any security or pledge agreement entered into in connection therewith pursuant to which the Authority grants the Bank or Banks a security interest in any collateral to secure its obligations to the Bank or Banks.

"Reimbursement Obligation" shall mean an obligation of the Authority pursuant to a Reimbursement Agreement to repay any amounts drawn under a Credit Facility, to pay any interest on such drawn amounts pursuant to such Reimbursement Agreement and to pay any Bank Fee owed pursuant thereto.

"Repair and Replacement Fund" shall mean the fund created and so designated by Section 4.5.

"Repair and Replacement Fund Requirement" shall mean such annual amounts as set forth on the attached Appendix B.

"Reserve Fund" shall mean the fund created with respect to a particular Series of Bonds and so designated by Section 4.4.

"Reserve Fund Requirement" shall mean with respect to a particular Series of Bonds as of a particular date, the lesser of: (i) the Maximum Annual Debt Service for such series; (ii) 125% of the average Annual Debt Service with respect to the Outstanding Bonds of such series in the then current and all future Fiscal Years; or (iii) ten percent (10%) of the proceeds of such series of Bonds or such other amount equal to the maximum amount of proceeds derived from the sale of such Bonds which may be deposited in the Reserve Fund pursuant to the then applicable provisions of the Code.

"Responsible Officer" shall mean an officer or assistant officer of the Trustee assigned by the Trustee to administer the Indenture.

"Revenue Fund" shall mean the fund created and so designated by Section 4.2.

"Revenue Funded Account" shall mean the account created within the Reserve Fund and so designated by Section 4.4.

"Revenues" shall mean: the sum of (a) the Tolls, (b) earnings derived from the investment of moneys in the funds and accounts established under the Indenture (whether held by the Trustee or the Authority) except the Toll Stabilization Fund and the Rebate Fund; (c) liquidated damages or similar payments (net of offsets required or permitted by the applicable agreement) payable under any construction contract, any toll collection or revenue management contract or any operating or maintenance contract relating to a Pledged Facility; (d) proceeds of revenue interruption insurance maintained by or for the benefit of the Authority and relating to the Pledged Facility; (e) net proceeds of eminent domain proceedings and casualty insurance maintained by or for the benefit of the Authority and relating to the Pledged Facility to the extent such proceeds are not promptly applied by the Authority either to the replacement or restoration of the Pledged Facility taken or damaged or to the redemption of Bonds; (f) any payments received by the Authority pursuant to a Parity Swap Agreement and (g) such other sources of funds as may be identified as Revenues in a Supplemental Indenture. Except to the extent specifically otherwise provided above or in a Supplemental Indenture, "Revenues" shall not include (y) the proceeds of any Bonds or other indebtedness issued or incurred by the Authority, or (z) rebates of premiums received by the Authority or the Trustee in connection with insurance policies maintained by or for either of them.

"S&P" shall mean Standard & Poor's Ratings Services, a division of McGraw-Hill, Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and if such corporation shall for any reason no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority.

"Secretary" shall mean the Secretary of the Department and his or her successors.

"Secured Owner" shall mean, (i) as to any particular Series of Bonds, each person who is a "Bond Owner," "Holder," "Owner" or "registered owner" of the Bonds of such Series, (ii) each Parity Swap Agreement Counterparty providing a Parity Swap Agreement with respect to such Bonds, (iii) each Bank providing a Credit

Facility with respect to such Bonds, (iv) each Bond Insurer providing a bond insurance policy with respect to such Bonds, and (v) USDOT and its successors and assigns, as owner of the TIFIA Indebtedness, subject to the priorities set forth in Section 4.11.

"Series" shall mean one or more Bonds issued at the same time, or sharing some other common term or characteristic, and designated as a separate Series.

"Series 2015 Bonds" shall mean the Authority's $212,535,000 U.S. 301 Project Revenue Bonds, Series of 2015 dated December 16, 2015 and issued under the First Supplemental Indenture of Trust, dated as of December 1, 2015, by and between the Authority and the Trustee.

"Series Credit Facility Fund" shall mean any fund established by a Supplemental Indenture as a fund from which to pay to the applicable Bank or Banks such amounts as may be required to be paid with respect to the Authority's Reimbursement Obligations to such Bank or Banks.

"State" shall mean the State of Delaware.

"Subordinated Indebtedness" shall have the meaning ascribed to such term as set forth in the Indenture.

"Supplemental Agreement No. 27" shall mean the Supplemental Agreement No. 27 to the 1988 Trust Agreement, dated as of December 1, 2015 between the Authority and Wilmington Trust Company, pursuant to which, among other things, the Series 2015 Bonds and the TIFIA Series 2015 Bond issued under the Indenture are granted a subordinate lien on the Pledged TTF Revenues.

"Supplemental Indenture" shall mean any supplemental indenture then in full force and effect which has been duly approved by resolution of and signed by the Authority and the Trustee and providing for the issuance of a Series or multiple Series of Bonds or Subordinated Indebtedness, amending and/or supplementing the Indenture or amending and/or supplementing another Supplemental Indenture.

"Tax Certificate" shall mean the certificate by that name to be executed by the Authority on a Delivery Date to establish certain facts and expectations and which contains certain covenants relevant to compliance with the Code.

"Tender Indebtedness" shall mean any Bond or portion thereof a feature of which is an option, on the part of the Bond Owner, or an obligation, under the terms of such Bond, to tender all or a portion of such Bond to the Authority, the Trustee, the Paying Agent or other fiduciary or agent for payment or purchase and requiring that such Bond or portion thereof be purchased if properly presented.

"Threshold Amount" shall have the meaning ascribed to such term as set forth in the Indenture.

"TIFIA Debt Service Fund" shall mean the fund created and so designated by the Indenture.

"TIFIA Indebtedness" shall mean the loan provided by USDOT pursuant to the TIFIA Loan Agreement, as evidenced by the TIFIA Series 2015 Bond and any additional bonds or other secured loan from the USDOT, as lender, to the Authority, as borrower, pursuant to the Transportation Infrastructure Finance and Innovation Act of 1998, as codified as 23 U.S.C. §601 *et seq*., as the same may be amended from time to time, with respect to the Pledged Facility and secured by a pledge, charge and lien on, first, Pledged Funds, and second, Pledged TTF Revenues, in the manner provided in Sections 2.13 and 5.16; provided, however, if any additional TIFIA Indebtedness (other than the TIFIA Series 2015 Bond) issued under the Indenture shall be secured by a springing lien upon the occurrence of a Bankruptcy-Related Event similar to the TIFIA Series 2015 Bond, such additional TIFIA Indebtedness shall be subject to the provisions of the Indenture.

"TIFIA Loan Agreement" shall mean the TIFIA Loan Agreement, to be entered between the USDOT and the Authority, including any supplements or amendments thereto with respect to the TIFIA Indebtedness evidenced by the TIFIA Series 2015 Bond, and any other loan agreement or similar instrument executed and delivered by the Authority providing for the incurrence of other TIFIA Indebtedness.

"TIFIA Prepayment Account" shall mean the account so designated in the TIFIA Debt Service Fund.

"TIFIA Series 2015 Bond" shall mean the Delaware Transportation Authority Subordinated U.S. 301 Revenue Bond, TIFIA Series 2015, to be dated the date of issuance thereof, issued by the Authority to the USDOT pursuant to Section 2.13 hereof to evidence the obligations of the Authority to the USDOT, or its successors or assigns, pursuant to the TIFIA Loan Agreement.

"Toll Stabilization Fund" shall mean the fund created and so designated by Section 4.6.

"Tolls" shall mean all rates, rents, fees, charges, fines, or other income derived by the Authority from vehicular usage of the Pledged Facility, and all rights to receive the same.

"Traffic Consultant" shall mean a firm of traffic and revenue consultants of favorable national reputation for skill and experience in performing the duties for which a Traffic Consultant is required to be employed pursuant to the provisions of the Indenture and that is retained by the Authority as a Traffic Consultant for the purposes of the Indenture.

"Trustee" shall mean the entity named as such in the heading of the Indenture until a successor replaces it in accordance with the provisions of Section 9.9, and thereafter means such successor.

"USDOT" shall mean the United States Department of Transportation, acting by and through the Federal Highway Administrator.

"Variable Rate Indebtedness" shall mean: (i) any indebtedness incurred pursuant to the Indenture the interest rate applicable to which is not established at the time of incurring of such indebtedness at a rate which cannot increase during the entire term thereof and (ii) indebtedness incurred pursuant to the Indenture which, except for this clause (ii), would be Fixed Rate Indebtedness but with respect to which the Authority has entered into an Approved Swap Agreement pursuant to which Approved Swap Agreement the Authority makes interest payments based on a rate of interest which is not established at a single numerical rate for the entire remaining term of such Approved Swap Agreement, provided that such Fixed Rate Indebtedness shall be deemed to be Variable Rate Indebtedness only while such agreement remains in effect.

Revenues and Funds. As set forth in the forepart of the Official Statement, the Authority has established the following funds and accounts under the Indenture. For a more detailed discussion, see "SOURCES OF PAYMENT AND SECURITY FOR THE 2015 BONDS – Funds and Accounts; Flow of Funds; Subordinated Lien on Pledged TTF Revenues" in the forepart of the Official Statement.

- Revenue Fund held by the Authority;
- Construction Fund held by the Trustee;
- Debt Service Fund held by the Trustee, and within the Debt Service Fund, the Capitalized Interest Account, the Interest Account, the Principal Account and the Prepayment Account;
- Reserve Fund for each Series of Bonds held by the Trustee, and within such Series-specific Reserve Fund, the Bond Proceeds Funded Account (such account not available to holders of Subordinated Indebtedness, including TIFIA Indebtedness) and the Revenue Funded Account;
- TIFIA Debt Service Fund held by the Trustee, and within the TIFIA Debt Service, the TIFIA Prepayment Account;
- Repair and Replacement Fund held by the Trustee;
- Tolls Stabilization Fund held by the Authority; and
- Rebate Fund held by the Trustee.

Moneys Held by Paying Agents in Trust; Unclaimed (Section 4.8)

All moneys which shall have been withdrawn from the Debt Service Fund or the TIFIA Debt Service Fund and set aside or deposited with a Paying Agent for the purpose of paying any of the Bonds or TIFIA Indebtedness secured under the Indenture, either at the maturity or upon call for redemption, shall be held in trust for the applicable Secured Owners; and such funds shall be held uninvested or in Government Obligations with a maturity not later than the date on which funds will be needed to make payments on the Bonds or TIFIA Indebtedness, provided that the Paying Agent shall not be required to invest such funds if to do so would, in the judgment of the Paying Agent, adversely affect the ability of the Paying Agent to make timely payment to the Secured Owners. Any earnings on such funds not required to be rebated to the United States shall periodically, not less frequently than annually, be paid to the Authority. But, to the maximum extent permitted by law, any moneys which shall be so set aside or deposited and which shall remain unclaimed by the holders of Bonds for a period of one (1) year after the date on which such Bonds shall have become due and payable shall be paid to the Authority, and thereafter the holders of such Bonds shall look only to the Authority for payment; and the Authority shall be obligated to make such payment, but only to the extent of the amounts so received pursuant to the Indenture without any interest thereon and not from Pledged Funds, and the Paying Agents shall have no responsibility with respect to any of such moneys.

Additional Funds and Accounts (Section 4.10)

The Authority may, by Supplemental Indenture, create additional funds and accounts under the Indenture and for such purposes as the Authority deems appropriate, including separate funds available only for specified Bonds or Series of Bonds or Subordinated Indebtedness; however, the Revenues shall, in all events, first be used to make the deposits required under the Revenue Fund flow of funds before any amounts of Revenues are used to fund any other funds or accounts.

Certain Covenants of the Authority

Payment of Principal, Premium and Interest. (Section 5.1)

The Authority covenants and agrees that it will duly and punctually pay or cause to be paid from the Pledged Funds (and the Pledged TTF Revenues, if necessary) and, to the extent thereof, the principal (or Accreted Amount, as applicable) of, premium, if any, and interest on every Bond and Subordinated Indebtedness at the place and on the dates and in the manner provided in the Indenture and, as applicable, in the Bonds, the TIFIA Loan Agreement and the agreements governing any other Subordinated Indebtedness, according to the true intent and meaning thereof, and that it will faithfully do and perform all covenants and agreements contained in the Indenture and in the Bonds, the TIFIA Loan Agreement and the agreements governing any other Subordinated Indebtedness; and the Authority agrees that time is of the essence of the Indenture, provided that the Authority's obligation to make payment of the principal (or Accreted Amount, as applicable) of, premium, if any, and interest on the Bonds and Subordinated Indebtedness shall be limited to payment from the Pledged Funds, the Pledged TTF Revenues, the funds and accounts pledged therefor in the Indenture or in any Supplemental Indenture or TIFIA Loan Agreement, as the case may be, and any other source which the Authority may specifically provide for such purpose, and no Bond Owner or holder of Subordinated Indebtedness shall have any right to force payment from any other funds of the Authority.

Annual Operating Budget (Section 5.3)

The Authority covenants that on or before the commencement of each Fiscal Year it will adopt the Annual Operating Budget for such Fiscal Year. On or before the 20th day of July in such Fiscal Year copies of the Annual Operating Budget shall be filed with the Trustee. The Trustee shall have no responsibility to review the Annual Operating Budget.

If for any reason the Authority shall not have adopted the Annual Operating Budget before the first (1st) day of any Fiscal Year, the budget for the preceding Fiscal Year shall, until the adoption of the Annual Operating Budget, be deemed to be in force and shall be treated as the Annual Operating Budget under the Indenture for such Fiscal Year.

The Authority may at any time adopt an amended or supplemental Annual Operating Budget for the remainder of the then current Fiscal Year, subject to the requirements of the TIFIA Loan Agreement. Copies of any such amended or supplemental Annual Operating Budget shall be filed with the Trustee.

Use and Operation of the Pledged Facility (Section 5.4)

The Authority covenants that, to the maximum extent it is permitted by law to do so: (i) it will establish and enforce reasonable rules and regulations governing the use of the Pledged Facility and the operation thereof, (ii) it will operate the Pledged Facility in an efficient and economical manner, (iii) it will maintain the Pledged Facility in good repair and will make all necessary repairs, renewals and replacements, to the extent funds are available therefor, (iv) it will promptly notify the Department and the Trustee of any damage to or destruction of any of the Pledged Facility of which it has actual knowledge, (v) it will take no action with respect to any of the Pledged Facility that would materially impair its ability to meet the requirements of the rate covenant with respect to Tolls as set forth in the Indenture, and (vi) it will observe and perform all of the terms and conditions contained in the Act and in all other laws, rules, regulations, orders and direction of any legislative, executive, administrative or judicial body applicable to the Pledged Facility, subject to the right of the Authority to contest the same in good faith and by appropriate legal proceedings.

The Authority further covenants that in the event of damage to or destruction of all or any part of the Pledged Facility it will use its best efforts to cause the Pledged Facility or such part thereof to be repaired, restored or replaced so that the efficiency and value of the Pledged Facility as a revenue producing toll road will not be impaired or in the alternative to redeem the Bonds then Outstanding.

Payment of Lawful Charges (Section 5.5)

The Authority covenants that, except as otherwise permitted in the Indenture, it will not create or suffer to be created any lien or charge upon the Pledged Facility or upon the Pledged Funds therefrom except the lien and charge of the Bonds, the Parity Obligations and the Subordinated Indebtedness secured thereby upon such Pledged Funds and the lien, if any, in favor of any Bank to secure the obligations of the Authority to such Bank under the applicable Reimbursement Agreement and related documents, and that, from such Pledged Funds or other available funds, it will pay or cause to be discharged, or will make adequate provision in accordance with applicable law to satisfy and discharge, within 60 days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects that, if unpaid, might by law become a lien upon the Pledged Facility or the Pledged Funds therefrom; provided however, that nothing in the Indenture shall require the Authority to pay or cause to be discharged, or make provision for, any such lien or charge so long as the validity thereof shall be contested in good faith and with appropriate reserves or surety bonds being maintained.

Insurance, Damage or Destruction (Section 5.7); *Inspection of Insurance Policies* (Section 5.8)

The Authority covenants that it will maintain or cause to be maintained an insurance program, with such reasonable terms, conditions, provisions and costs, as the Authority in its sole discretion determines will afford adequate insurance protection for the Authority and the Pledged Facility at all times and in such amounts, subject to such exceptions and deductibles and against such risks, as are customary for similar facilities, including business interruption insurance providing for coverage of the loss of Pledged Revenues for a period of at least twelve (12) months. The Authority shall provide insurance against loss caused by damage to or destruction of all or any part of any of the Pledged Facility owned by it; comprehensive public liability insurance for bodily injury and property damage relating to any part of the Pledged Facility owned by it and such other insurance as the Authority in its sole discretion may determine. All such insurance policies shall be carried with a responsible insurance company or companies authorized and qualified under State law to assume the risks thereof or shall be provided under a self-insurance program if and to the extent that such program provides coverage in the amounts and manner usually maintained in connection with facilities similar to the Pledged Facility and provided that such program is, in the written opinion of an accredited actuary filed with the Trustee at least annually, actuarially sound.

All such policies shall be for the benefit of the Trustee and the Authority as their interests shall appear and shall be made payable to the Trustee and the Authority as their interests shall appear.

Immediately after any damage to or destruction of any part of the Pledged Facility that adversely affects the Revenues, the Authority will promptly cause the repair, reconstruction or replacement of the damaged or destroyed property or to otherwise ameliorate the adverse impact on Revenues; provided, however, nothing in the Indenture shall require the Authority to expend, for that repair, reconstruction or replacement, amounts other than

Revenues, insurance proceeds and Bond proceeds or Subordinated Indebtedness available therefor, and any other funds available for those purposes under the Indenture.

The Authority covenants that it will take such action as may be necessary to demand, collect and sue for any insurance money that may become due and payable under any policy payable to the Authority or the Trustee. The Trustee shall have the sole right to receive the proceeds of physical loss insurance. Immediately upon receipt thereof the Trustee shall deposit the proceeds of physical loss insurance to the credit of the Construction Fund. Proceeds so deposited to the credit of the Construction Fund shall be promptly applied to paying Costs incurred in repairing, restoring or replacing the Pledged Facility or portion thereof with respect to which the insurance proceeds were received or shall be used to redeem Bonds (if such redemption is permitted by a Supplemental Indenture), as directed in writing by an Authorized Authority Representative.

Nothing contained in the Indenture shall be deemed or construed to prevent the Authority from maintaining policies of insurance in which other parties are named as dual obligee beneficiaries, provided that such other parties shall be limited to persons supplying toll collection and revenue management system equipment or facilities for the New U.S. 301 Project.

All insurance policies referred above shall be open at all reasonable times to inspection by the Trustee and the Secured Owners and their agents and representatives. Any appraisement or adjustment of any loss or damage under any policy payable to the Authority or the Trustee and any settlement or payment of indemnity under any such policy that may be agreed upon by the Authority and any insurer shall be evidenced by a certificate, signed by the Secretary and the Director of Finance of the Department and filed with the Trustee.

Accurate Records; Reports; Audits (Section 5.9)

The Authority and the Trustee shall each keep proper books of record and accounts containing complete and correct entries of all transactions made by it relating to the receipt, investment, disbursement, allocation and application of the moneys related to the Bonds and any Subordinated Indebtedness, including moneys derived from, pledged to, or to be used to make payments on the Bonds or any Subordinated Indebtedness, as the case may be. Such records shall specify the fund, account, or subaccount to which each contract or investment (or portion thereof) is to be allocated and shall set forth in the case of each investment security (i) its purchase price, (ii) identifying information, including par amount, coupon rate, and payment dates, (iii) the amount received at maturity or its sale price, as the case may be, including accrued interest, (iv) the amounts and dates of any payments made with respect thereto, and (v) the dates of acquisition and disposition or maturity. The Authority covenants that it will keep the funds, accounts and subaccounts established pursuant hereto separate from all other funds and accounts, if any, of the Authority and that it will keep an accurate record of the total cost of the Pledged Facility, of the Revenues collected from the Pledged Facility, of all payments made into and out of the funds, accounts and sub-accounts established under the Indenture (or pursuant to any Supplemental Indenture), of the number of toll transactions with respect to the Pledged Facility, the Pledged Funds, and of the application of such Revenues and Pledged Funds. Such records shall be open at all reasonable times to the inspection by the Trustee and the Secured Owners and each of their respective agents and representatives.

The Authority further covenants that promptly after the close of each Fiscal Year it will cause an audit to be made of its books and accounts relating to the Pledged Facility for the preceding Fiscal Year by an independent firm of certified public accountants of recognized ability and standing to be chosen by the Authority. The Authority shall make available to such accountants all its books and records pertaining to the Pledged Facility. Each such audit report shall be prepared in accordance with generally accepted accounting principles and shall set forth in respect of the preceding Fiscal Year, the findings of such certified public accountants as to whether the moneys received by the Authority under the provisions of the Indenture during such Fiscal Year have been applied in accordance with the provisions of the Indenture, whether any obligations for Current Expenses were incurred in the preceding Fiscal Year in excess of the total amount provided for Current Expenses in the Annual Operating Budget for such Fiscal Year, whether the Tolls for the preceding Fiscal Year have exceeded or were less than the amount required for such Fiscal Year under the terms of the rate covenant for Tolls, and whether any Event of Default has occurred and not been cured as of the end of such Fiscal Year of which such certified public accountants have knowledge. The Authority shall deliver to the Trustee and to the USDOT a copy of each annual audit by no later than the first day of the eighth calendar month immediately following the end of the audited year.

Such report and audit reports shall be open at all reasonable times to the inspection of the Secured Owners and each of their respective agents and representatives.

The Authority further covenants that it will cause any additional reports or audits relating to the Pledged Facility to be made as required by law and that, as often as may be requested, it will furnish to the Trustee and the Secured Owners such other information concerning the Pledged Facility or the operation thereof as any of them may reasonably request. The cost of the reports and audits referred to above shall be treated as a Current Expense.

Covenant Against Sale or Encumbrance; Exceptions (Section 5.10)

The Authority covenants that, except as permitted in the Indenture, it will not sell or otherwise dispose of or, except upon the conditions and in the manner provided in the Indenture, encumber the right to receive Revenues from or with respect to the Pledged Facility or any part thereof. The Authority may, from time to time, sell or encumber for consideration not less than the fair market value thereof any machinery, fixtures, apparatus, tools, instruments or other movable property, equipment or materials acquired by it from the proceeds of the Bonds or from the Revenues provided that such actions do not encumber any Pledged Funds and do not impair the ability of the Authority to pay the principal (or Accreted Amount, as applicable) of or interest or other amounts owing with respect to Bonds or any Parity Obligations or Subordinated Indebtedness. Upon any disposition of property under the provisions of the Indenture, the Authority shall notify the Trustee in writing of the property so sold and the amount, if any, and disposition of the proceeds thereof.

The Authority may lease, or grant easements, franchises or concessions for the use of, any part of the Pledged Facility, provided that such actions do not impair the ability of the Authority to receive Revenues and pay the principal (or Accreted Amount, as applicable) of or interest or other amounts owing with respect to Bonds or any Parity Obligations or any Subordinated Indebtedness; and, the net proceeds from any such lease, easement, franchise, or concession shall be deposited as earned to the credit of the Revenue Fund.

Nothing contained in the Indenture shall be deemed or construed to prevent the Authority from acquiring and encumbering toll collection and revenue management systems (including transponders) through a lease-purchase agreement, an installment purchase agreement or any other instrument providing for or relating to the financing of such acquisition.

Performance of Covenants by Authority; Due Execution (Section 5.11)

The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture, in any and every Bond, and the TIFIA Loan Agreement executed, authenticated and delivered under the Indenture and in all of its proceedings pertaining hereto. The Authority covenants that it is duly authorized under the Constitution and laws of the State, including particularly the Act, to enter into the Indenture, to issue the Bonds and pledge the Pledged Funds thereto and to the Parity Obligations, and that the Authority has not previously pledged such Pledged Funds to secure other obligations.

Receipt and Deposit of Cash Advances (section 5.13)

The Authority covenants and agrees that, immediately upon receipt of cash advances representing deposits against future toll payments from users or potential users of the Pledged Facility, it will (i) deposit and hold such moneys in a special account, separate from other assets of the Authority, or cause such moneys to be deposited with and held by a bank or trust company (which may be the Trustee), (ii) invest such moneys only in Government Obligations or Permitted Investments of the type described in clause (a) of the definition of said term maturing within thirty (30) days from the date of the investment or in Permitted Investments of the type described in clause (c) of said definition and (iii) promptly, and in any event within one (1) Business Day after such deposits become Tolls, transfer or cause the transfer of moneys from such account for credit to the Revenue Fund. The Authority further covenants and agrees that it will not enter into any agreement pursuant to which cash advances received by any other person, business organization or governmental agency may be applied to the payment of Tolls unless such person, business organization or governmental agency, as the case may be, has agreed to take such actions as the Authority may determine are reasonably necessary to assure that the Authority will receive timely payment of such Tolls.

Receipt and Deposit of Revenues – Revenue Fund (Section 5.14)

The Authority covenants and agrees that it will immediately upon receipt thereof transfer collected Revenues for credit to the Revenue Fund except as otherwise provided in the Indenture, and during such time as such Revenues are held by the Authority prior to transfer to the Revenue Fund, such Revenues will be impressed with a trust and held for the Secured Owners.

No Inconsistent Action (Section 5.15)

The Authority covenants that no contract or contracts will be entered into or any action taken by the Authority which shall be inconsistent with the provisions of the Indenture.

Other Obligations; Subordinated Indebtedness (Section 5.16)

The Authority covenants that it will not voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or any other charge having priority to the lien held by the Secured Owners of the Bonds and the Parity Swap Agreements and the Reimbursement Agreements relating thereto upon the Pledged Funds, or any part thereof. The Authority covenants that it will not voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or any other charge in respect of Subordinated Indebtedness having priority to the lien upon the Pledged Funds, or any part thereof, in favor of the TIFIA Indebtedness. The Authority further covenants that it will not issue any obligations, except upon the conditions and in the manner provided in the Indenture, payable from the Pledged Funds on parity with the Bonds and Parity Swap Agreements and Reimbursement Obligations relating thereto. Notwithstanding the foregoing, the Authority may issue indebtedness, including but not limited to TIFIA Indebtedness, that are junior and subordinate in all respects to the Bonds (excluding the TIFIA Series 2015 Bond) and the Parity Obligations as to lien on and source and security for payment from the Pledged Funds (such indebtedness being hereinafter referred to as "Subordinated Indebtedness"); provided, however, as set forth in in the Indenture, upon the occurrence of a Bankruptcy-Related Event, any TIFIA Indebtedness that is subject to a springing lien shall become senior lien debt secured by the Pledged Funds on parity with the Bonds and all Parity Obligations. The Authority further covenants that it will not issue any obligations, except upon the conditions and in the manner provided in the Indenture, payable from the Pledged Funds.

Maintenance of Powers (Section 5.17)

To the extent permitted by law at all times, the Authority will maintain its existence and the powers, functions, duties and obligations now reposed on it pursuant to the Act and all other laws and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the payment of the indebtedness evidenced by any of the Bonds or the performance or observance of any of the covenants contained in the Indenture or in any Supplemental Indenture.

Limitation on Use of Surplus Revenues – Competing Facilities (Section 5.18)

The Authority covenants that it will not construct, operate or enter into any agreement permitting or facilitating (whether by use of Revenues or otherwise) the construction or operation of any transportation facility that would compete with the Pledged Facility unless it shall have first filed with the Trustee a Certificate of a Traffic Consultant to the effect that the existence of such competing transportation facility would not have a material adverse effect on the ability of the Pledged Facility to generate the Adjusted Net Toll Revenues necessary to enable the Authority to comply with the rate covenants with respect to Tolls as set forth in the Indenture.

Construction and Completion of the Pledged Facility (Section 5.19)

The Authority covenants that it will proceed with diligence to (i) construct and complete each part of the Pledged Facility to the extent authorized by applicable law, and in conformity with law, with all requirements of governmental authorities having jurisdiction and the policies, rules and regulations of the State and (ii) enforce any contracts relating to the construction of the Pledged Facility, including any tolling systems related thereto, and enforce and collect any liquidated damages payable to the Authority thereunder.

Compliance with Internal Revenue Code (Section 5.21)

(a) For Bonds issued under the Indenture on a tax-exempt basis, the Authority shall not make any investment or other use of the proceeds of such Bonds which would cause such Bonds to be "arbitrage bonds" as that term is defined in Section 148 and Section 103(b)(2) of the Code and will comply with the requirements of any such Code sections and regulations throughout the term of the Bonds. The Authority shall not instruct the Trustee to make any investment inconsistent with the foregoing covenants.

(b) The Authority agrees not to operate any Pledged Facilities or cause the same to be operated in any manner which would, in and of itself, cause the interest paid on the Bonds to be subject to federal income tax in the hands of the Owners of the Bonds.

(c) The Authority shall comply with the information reporting requirements imposed by federal tax laws as they may relate to the Bonds and file any statement required thereby in a complete and timely manner.

Covenants of Authority Binding on Authority and Successors (Section 5.22)

All covenants, stipulations, obligations and agreements of the Authority contained in the Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Authority to the full extent authorized or permitted by law. If the powers or duties of the Authority shall hereafter be transferred by amendment of the Act or a new act or any provision of the Constitution or any other law of the State or in any other manner there shall be a successor to the Authority, and if such transfer shall relate to any matter or thing permitted or required to be done under the Indenture by the Authority then the entity that shall succeed to such powers or duties of the Authority shall act and be obligated in the place and stead of the Authority as in the Indenture provided, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time and upon any officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreement shall be transferred by or in accordance with law.

Except as otherwise provided in the Indenture, all rights, powers and privileges conferred and duties and liabilities imposed upon the Authority by the provision of the Indenture shall be exercised or performed by the Authority or by such officers, board, body or commission as may be required by law to exercise such powers or to perform such duties.

Investments – Moneys in Funds and Accounts (Section 6.1)

Moneys held in the funds and accounts created under the Indenture shall be invested and reinvested in Permitted Investments as directed by the Authority, subject to the restrictions set forth in the Indenture and in any Supplemental Indenture and subject to the investment restrictions imposed upon the Authority by the laws of the State. The Authority shall direct the Trustee with respect to the investment of moneys held by the Trustee by written certificate of an Authorized Authority Representative or by telephone instruction followed by prompt written confirmation by an Authorized Authority Representative. If the Authority fails to direct the investment of moneys as required by the Indenture, the Trustee shall invest such moneys held by it in Permitted Investments of the type described in subparagraph (c) of the definition of Permitted Investments, and the Trustee shall be under no obligation to determine or inquire into the legality of any investment made at the direction of the Authority.

Except as otherwise provided in this paragraph, moneys on deposit in the Debt Service Fund and TIFIA Debt Service Fund shall be invested only in Government Obligations the maturities of which shall not extend beyond the time when funds will be needed therefrom to make payment on the Bonds, the Parity Obligations or TIFIA Indebtedness, as the case may be. The restriction set forth in the preceding sentence shall not be applicable to moneys in such fund (other than Eligible Funds (as defined in a Supplemental Indenture) set aside for the redemption of Bonds and moneys derived from a drawing under a Credit Facility, with respect to both of which such restriction shall always be applicable) at such times as one or more Credit Facilities and/or policies of bond insurance are in effect which assure the timely payment of the principal (or Accreted Amount, as applicable) of and interest on all Outstanding Bonds if the Bank or Banks providing such Credit Facilities and/or the Bond Insurer or Bond Insurers providing such insurance policies, as the case may be, so agree in a written instrument filed with the Trustee. Investments in the Debt Service Fund or TIFIA Debt Service Fund shall be sold or otherwise converted to cash by the Trustee as needed to make payment of principal (or Accreted Amount, as applicable), premium, if any, and interest on the Bonds, the Parity Obligations or TIFIA Indebtedness, as the case may be, and the Trustee shall have no liability for the selection and liquidation of such investments or for any losses which may be incurred as a result thereof.

The maturities of investments in the Construction Fund shall not extend beyond the time when funds will be needed therefrom to pay Costs.

No moneys on deposit in the Reserve Fund shall be invested in Permitted Investments maturing more than ten (10) years after the purchase of the investment. Notwithstanding the foregoing, there shall be no limit on the maturity of an investment in the Reserve Fund if the Authority has entered into an agreement pursuant to which the Authority can, at its sole option, sell to liquidate such investment at par on each applicable Interest Payment Date, and if the entity to whom the Authority can so sell such investment has long-term unsecured, uninsured and unguaranteed obligations rated in the highest long-term Rating Categories by each Rating Agency which has assigned a rating both to any such Outstanding Bond and to such obligation.

Except as otherwise provided in the Indenture or in a Supplemental Indenture, (i) investments of moneys in any fund shall be deemed at all times to be a part of such fund and shall be valued at the amortized cost thereof, (ii) the interest accruing on and any profit realized from investment of moneys in the Rebate Fund shall be credited to the Rebate Fund, and the interest accruing on and any profit realized from investment of moneys in the Toll Stabilization Fund shall be credited to the Toll Stabilization Fund, (iii) the interest accruing on and any profit realized from investment of moneys in any other fund shall be credited to the Revenue Fund, and (iv) any loss resulting from such investment shall be charged to the fund in which such investment is held.

The Trustee shall furnish to the Authority monthly cash transaction statements which describe all investment transactions made by the Trustee pursuant to the Indenture. To the extent permitted by law, the Authority waives any right to receive brokerage confirmations of security transactions as they occur to the extent that such a right is conferred upon the Authority by regulations of any applicable regulatory agency. The Trustee, its parent, or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee under the Indenture.

Default Provisions and Remedies

Events of Default (Section 8.1)

Each of the following events shall constitute and is referred to in the Indenture as an "Event of Default":

(A) a failure to pay the principal (or Accreted Amount, as applicable) of or premium, if any, on any of the Bonds or Subordinated Indebtedness when the same shall become due and payable at maturity, upon redemption or any other date on which principal (or Accreted Amount, as applicable) becomes due and payable;

(B) a failure to pay any installment of interest on any of the Bonds or Subordinated Indebtedness when such interest shall become due and payable;

(C) a failure by the Authority to observe and perform any covenant, condition, agreement or provision (other than as specified in paragraphs (a) and (b) above) contained in any of the Bonds or in the Indenture on the part of the Authority to be observed or performed, which failure shall continue for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Authority by the Trustee (which notice shall be given at the written request of Owners of not less than 67% of the aggregate of Principal Obligation of the Bonds and TIFIA Indebtedness then Outstanding), unless the Trustee and the Owners of Bonds and TIFIA Indebtedness in an aggregate Principal Obligation not less than the aggregate Principal Obligation of Bonds and TIFIA Indebtedness the Owners of which requested such notice, shall agree in writing to an extension of such period prior to its expiration;

(D) the occurrence of a Bankruptcy-Related Event;

(E) (i) a diversion or an attempted diversion by the Authority of any Pledged Funds for any use prior to the deposit thereof into the funds and accounts held by the Trustee under the Indenture, or (ii) the existence of a lien on or a charge against any Pledged Funds which lien or charge is prior to, or (except to the extent permitted by the Indenture) on parity with that granted to secure the Bonds, the Parity Obligations, and TIFIA Indebtedness or (iii) a failure or cessation of the lien against any Pledged Funds to be a valid lien, except in each of the foregoing instances any such event affecting only a *de minimis* portion of Pledged Funds; or

(F) the occurrence of any other Event of Default as is provided in a Supplemental Indenture.

Without limitation of the obligations of the Authority and the Trustee set forth in the flow of funds in the Revenue Fund as described in the Indenture, if on any date on which payment of principal (or Accreted Amount, as applicable) of, premium, if any, or interest on the Bonds (including TIFIA Indebtedness) is due, sufficient moneys are not available to make such payment, the Trustee shall give notice of such insufficiency to the Authority and to the 1988 Trustee by facsimile transmission and in writing immediately thereafter.

Remedies (Section 8.2)

The remedies available to Owners of the Bonds or TIFIA Indebtedness upon an Event of Default under the Indenture are limited to such remedies as set forth below. **NO ACCELERATION REMEDY IS AVAILABLE TO OWNERS OF THE BONDS OR TIFIA INDEBTEDNESS.**

Upon the occurrence of any Event of Default under clauses (a) or (b) described above, the Trustee shall immediately provide notice to the 1988 Trustee and shall take whatever action is necessary to enforce the subordinate lien on the Pledged TTF Revenues under the 1988 Trust Agreement. Enforcement of remedies under the Indenture shall be subject to the limitations set forth in the 1988 Trust Agreement and Supplemental Agreement No. 27.

Upon the occurrence of any Event of Default, the Trustee, upon the written direction of the Owners of not less than a majority of the aggregate of Principal Obligation of the Bonds and TIFIA Indebtedness then Outstanding and receipt of indemnity to its satisfaction, shall, in its own name and as the trustee of an express trust (but subject to the limitations set forth in these "Remedies" provisions); provided, that in any case where the USDOT would be requested to provide indemnification in favor of the Trustee, such indemnification shall instead by provided by the Authority:

(A) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners of the Bonds and the TIFIA Indebtedness with respect to which the Event of Default has occurred, and require the Authority to carry out any agreements with or for the benefit of the Secured Owners and to perform its or their duties under the Act or any other law to which it is subject and the Indenture, provided that any such remedy may be taken only to the extent permitted under the applicable provisions of the Indenture;

(B) bring suit upon the Bonds and the TIFIA Indebtedness with respect to which the Event of Default has occurred;

(C) commence an action or suit in equity to require the Authority to account as if it were the trustee of an express trust for the aforesaid Secured Owners; or

(D) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the aforesaid Secured Owners.

Notwithstanding the foregoing, neither the Trustee nor any Secured Owner shall be entitled to establish or to compel the Authority to establish Tolls in excess of Tolls required to be established by the Authority pursuant to provision in the Indenture pertaining to the rate covenant with respect to Tolls.

The Trustee shall be under no obligation to take any action with respect to any Event of Default unless the Trustee has actual knowledge of the occurrence of such Event of Default.

Notwithstanding anything in the Indenture or in any Supplemental Indenture to the contrary, the holder of the TIFIA Indebtedness shall have the sole right and authority to enforce the remedies set forth in the TIFIA Loan Agreement.

Any declaration of the occurrence of an Event of Default of the type described in clauses (a), (b) or, (e)(i) of Section 8.1 is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Authority shall deposit with the Trustee a sum sufficient to pay all the principal (or Accreted Amount, as applicable) of and installments of interest on the Bonds and the TIFIA Indebtedness the payment of which is overdue or the amount of the diverted Pledged Funds, as the case may be, with interest on such overdue principal (or Accreted Amount, as applicable) at the rate borne by the respective Bonds and TIFIA Indebtedness (to the extent permitted by law), and the reasonable charges and expenses of the Trustee, and any and all other Events of Default known to the Trustee (other than in the payment of principal (or Accreted Amount, as applicable) of and interest on the Bonds and the TIFIA Indebtedness due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee shall on behalf of the Owners of all Bonds rescind and annul such declaration and its consequences and waive such Event of Default; but no such rescission and annulment shall extend to or affect any subsequent Event of Default or shall impair or exhaust any right or power consequent thereon.

Restoration to Former Position (Section 8.3)

In the event that any proceeding taken by the Trustee to enforce any right under the Indenture shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the Authority, the Trustee, and the Secured Owners of the Bonds and TIFIA Indebtedness with respect to which the Event of Default has occurred, shall be restored to their former positions and rights under the Indenture, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Bond Owners' Rights to Direct Proceedings (Section 8.4)

Anything in the Indenture to the contrary notwithstanding, except to the extent limited by a Supplemental Indenture, Owners of a majority of the aggregate in Principal Obligation of the Bonds and TIFIA Indebtedness then Outstanding with respect to which the Event of Default has occurred shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under the Indenture to be taken in connection with the enforcement of the terms of the Indenture or exercising any trust or power conferred on the Trustee by the Indenture; provided that such direction shall not be otherwise than in accordance with the provisions of the law and the Indenture and that there shall have been provided to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred as a result thereof by the Trustee; provided, that in any case where the USDOT would be requested to provide indemnification in favor of the Trustee, such indemnification shall instead by provided by the Authority.

Limitation on Bond Owners' Rights to Institute Proceedings (Section 8.5)

No Bond Owner or Owner of TIFIA Indebtedness shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power under the Indenture, or any other remedy the Indenture or on such Bonds or TIFIA Indebtedness, unless such Owner or Owners previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless also Owners of 25% or more of the aggregate of the Principal Obligation of the Bonds and the TIFIA Indebtedness with respect to which the Event of Default has occurred then Outstanding shall have made written request of the Trustee so to do, after the right to institute such suit, action or proceeding as permitted under "Remedies" above shall have accrued, and shall have afforded the Trustee a reasonable opportunity to proceed to institute the same in either its or their name, and unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity (provided, that in any case where the

USDOT would be requested to provide indemnification in favor of the Trustee, such indemnification shall instead by provided by the Authority) are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the institution of such suit, action or proceeding; it being understood and intended that no one or more of the Bond Owners or Owner of TIFIA Indebtedness shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture, or to enforce any right under the Indenture or under the Bonds and TIFIA Series 2015 Bond, except in the manner herein provided, and that all suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Bonds and TIFIA Indebtedness with respect to which the Event of Default has occurred.

No Impairment of Right to Enforce Payment (Section 8.6)

Notwithstanding any other provision in the Indenture, (a) the right of any Bond Owner to receive payment of the principal (or Accreted Amount, as applicable) of, premium, if any, and interest on such Bond, on or after the respective due dates expressed therein and to the extent of the Pledged Funds (but subject to the application of the Pledged Funds in the order of priority set forth in the Indenture), or to institute suit for the enforcement of any such payment on or after such respective date, shall not be impaired or affected without the consent of such Bond Owner; and (b) the right of any holder of the TIFIA Indebtedness to receive payment of the principal (or Accreted Amount, as applicable) of, premium, if any, and interest on such TIFIA Indebtedness, on or after the respective due dates expressed therein and to the extent of the Pledged Funds (but subject to the application of the Pledged Funds in the order of priority set forth in the Indenture), or to institute suit for the enforcement of any such payment on or after such respective date, shall not be impaired or affected without the consent of such holder.

Proceedings by Trustee without Possession of Bonds(Section 8.7)

All rights of action under the Indenture or under any of the Bonds or the TIFIA Series 2015 Bond secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds or the TIFIA Series 2015 Bond, as the case may be, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Owners of the Bonds and for the benefit of holders of the TIFIA Series 2015 with respect to which the Event of Default has occurred, subject to the provisions of the Indenture.

No Remedy Exclusive (Section 8.8)

No remedy in the Indenture conferred upon or reserved to the Trustee or to Secured Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under the Indenture, or now or hereafter existing at law or in equity or by statute; provided, however, that any conditions set forth in the Indenture to the taking of any remedy to enforce the provisions of the Indenture, the Bonds or TIFIA Indebtedness shall also be conditions to seeking any remedies under any of the foregoing.

No Waiver of Remedies (Section 8.9)

No delay or omission of the Trustee or of any Secured Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein: and every power and remedy given by the Indenture to the Trustee and to the Secured Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Application of Moneys (Section 8.10)

Subject to the provisions of the Indenture with respect to Subordination/Allocation of Payments (discussed below), any Pledged Funds or Pledged TTF Revenues (if any) held or received by the Trustee, by any receiver or by any Bond Owner or Owner of TIFIA Indebtedness pursuant to any right given or action taken under the provisions of the Indenture, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses and liabilities incurred by the Trustee, shall be deposited and applied as follows:

(A) to the Debt Service Fund, moneys sufficient to pay the amounts described in clauses (i), (ii) and (iii) below, and all such moneys shall be applied, as promptly as practicable (but subject to the provisions of the last paragraph of this section regarding Application of Moneys): (i) first, to the payment to the persons entitled thereto of all installments of interest then due and unpaid on the Bonds (including any Reimbursement Obligation resulting from a drawing on a Credit Facility to pay interest on Bonds as well as interest due with respect to all Reimbursement Obligations and including also all amounts due under all Parity Swap Agreements, except as otherwise provided therein, and excluding the TIFIA Series 2015 Bond until the occurrence of a Bankruptcy-Related Event), with interest on overdue installments, if lawful, at the weighted average rate per annum borne by the Bonds (or as provided in the TIFIA Loan Agreement, with respect to the TIFIA Series 2015 Bond following the occurrence of a Bankruptcy-Related Event), in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment; (ii) second, to the payment to the persons entitled thereto of the unpaid principal (or Accreted Amount, as applicable) of any of the Bonds then due and unpaid (including any Reimbursement Obligation resulting from a drawing on a Credit Facility to pay principal (or Accreted Amount, as applicable) of Bonds, and excluding the TIFIA Series 2015 Bond until the occurrence of a Bankruptcy-Related Event) with interest on such Bonds at their respective rates from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full the Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal (or Accreted Amount, as applicable) and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege and (iii) third, to the payment of any other Reimbursement Obligation or other amount then due and unpaid pursuant to any Reimbursement Agreement pertaining to Bonds (to the extent not addressed in clause (i) above); and

(B) following the payments described in clause (a) above, to the payment of all Subordinated Indebtedness issued or incurred by the Authority pursuant to the Indenture, including but not limited to TIFIA Indebtedness (for so long as no Bankruptcy-Related Event has occurred with respect to the TIFIA Series 2015 Bond), moneys sufficient to pay the amounts described in clauses (i) and (ii) below, and all such moneys shall be applied, as promptly as practicable (but subject to the provisions of the last paragraph of this Section regarding Application of Moneys): (i) first, to the payment to the persons entitled thereto of all installments of interest then due and unpaid on all Subordinated Indebtedness, with interest on overdue installments, if lawful, at the weighted average rate per annum borne by the Subordinated Indebtedness (or as provided in the TIFIA Loan Agreement, with respect to the TIFIA Series 2015 Bond), in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment; and (ii) second, to the payment to the persons entitled thereto of the unpaid principal (or Accreted Amount, as applicable) of any Subordinated Indebtedness then due and unpaid with interest on such Subordinated Indebtedness at their respective rates from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full the Subordinated Indebtedness due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal (or Accreted Amount, as applicable) and interest due on such date, in each case to the person entitled thereto, without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of the Indenture, such moneys shall be applied first from Pledged Funds and second from Pledged TTF Revenues (pursuant to the terms of the 1988 Trust Agreement) and at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal (or Accreted Amount, as applicable) and interest to be paid on such date shall cease to accrue. The Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date by Mail to all Secured Owners of Bonds (and related Parity Swap Agreements and Reimbursement Obligations) and the Owner of the TIFIA Indebtedness with respect to which the Event of Default occurred and shall not be required to make payment to any such Bond Owner or Owner of TIFIA Indebtedness until such Bonds or TIFIA Indebtedness, as the case may be, shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Additional and Other Events of Default and Remedies (Section 8.12)

So long as any particular Series of Bonds or the TIFIA Series 2015 Bond is Outstanding, and subject to the requirements of the Indenture, the Events of Default and remedies as set forth in the Indenture may be supplemented with additional Events of Default and remedies as set forth in the Supplemental Indenture under which such Series of Bonds or Subordinated Indebtedness is issued. Additional Events of Default, not necessarily limited to the time any Series of Bonds or Subordinated Indebtedness are Outstanding, and other Events of Default intended to supersede, in whole or in part, the Events of Default set forth in the Indenture and remedies attendant thereon may likewise be added or provided for from time to time by Supplemental Indenture.

Subordination; Allocation of Payments (Section 8.13)

Subordinated Indebtedness issued pursuant to the Indenture shall be subordinated and junior in right of payment, to the extent and in the manner hereinafter set forth, to all principal (or Accreted Amount, as applicable) of, premium, if any, and interest on the Bonds (other than the TIFIA Series 2015 Bond), and any Reimbursement Obligation or Parity Swap Agreement related thereto, and any refinancings, refundings, deferrals, renewals, modifications or extensions thereof that comply with the requirements of the Indenture and, if applicable, the TIFIA Loan Agreement (such indebtedness being hereinafter referred to as "Superior Indebtedness"); provided, however, as set forth in the Indenture, upon the occurrence of a Bankruptcy-Related Event, the TIFIA Series 2015 Bond and any other TIFIA Indebtedness that is issued under the Indenture and is subject to a springing lien upon the occurrence of a Bankruptcy-Related Event shall become senior lien debt on parity with all Superior Indebtedness.

The Authority will not, directly or indirectly, make or agree to make, and neither the holder of any Subordinated Indebtedness nor any assignee or successor thereof will demand, accept or receive, (a) any payment (in cash, property or securities by set-off or otherwise), direct or indirect, of or on account of any principal (or Accreted Amount, as applicable), premium, if any, or interest in respect of any Subordinated Indebtedness, or (b) any payment for the purpose of any redemption, purchase or other acquisition, direct or indirect, of any Subordinated Indebtedness, and no such payment shall be due, except as specifically set forth in the Indenture and any Supplemental Indenture governing such Subordinated Indebtedness (or, solely with respect to the TIFIA Series 2015 Bond, in the TIFIA Loan Agreement).

For all purposes of the Indenture, Superior Indebtedness shall not be deemed to have been paid in full unless the holders thereof shall have received cash equal to the amount of principal (or Accreted Amount, as applicable), premium, if any, and interest then due and payable in respect of all Superior Indebtedness at the time Outstanding.

If any payment or distribution of any character, whether in cash, securities or other property, shall be received by any holder of any Superior Indebtedness or Subordinated Indebtedness, or such holder's representative, in contravention of any of the terms of the Indenture, such payment or distribution or security shall be held in trust for the benefit of, and shall be paid over or delivered and transferred to, the holders of the Superior Indebtedness or Subordinated Indebtedness (or any such holders' representative or representatives) for application to the payment of all Superior Indebtedness or Subordinated Indebtedness, as applicable, remaining unpaid. Notwithstanding the foregoing, a holder of Superior Indebtedness or Subordinated Indebtedness may assume that payments received under the Indenture are in compliance with the terms of the Indenture unless such holder has actual knowledge that such payments are in contravention of the terms of the Indenture.

The terms as set forth above shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any Superior Indebtedness or Subordinated Indebtedness is rescinded, annulled or must otherwise be returned by any holder of Superior Indebtedness or Subordinated Indebtedness (or such holder's representative), upon the insolvency, bankruptcy or reorganization of the Authority or otherwise, all as though such payment has not been made.

Modification of Indenture

Supplemental Indentures Not Requiring Consent of Bond Owners (Section 10.2)

The Authority may, from time to time and at any time, without the consent of or notice to the Bond Owners execute and deliver Supplemental Indentures supplementing and/or amending the Indenture or any Supplemental Indenture as follows:

(A) subject to certain provisions of the Indenture, to provide for the issuance of a Series or multiple Series of Bonds, the issuance of TIFIA Indebtedness or the issuance of Subordinated Indebtedness pursuant to the Indenture, and to set forth the terms of such Bonds, TIFIA Indebtedness or Subordinated Indebtedness, as the case may be, and the special provisions which shall apply to such Bonds, such TIFIA Indebtedness or such Subordinated Indebtedness;

(B) to cure any formal defect, omission, inconsistency or ambiguity in the Indenture or any Supplemental Indenture;

(C) to add to the covenants and agreements of the Authority in the Indenture or any Supplemental Indenture other covenants and agreements, or to surrender any right or power reserved or conferred upon the Authority, and which shall not materially adversely affect the interests of any of the Secured Owners;

(D) to confirm, as further assurance, any interest of the Trustee in and to the Pledged Funds, the Pledged TTF Revenues, or in and to the funds and accounts held by the Trustee or in and to any other moneys, securities or funds of the Authority provided pursuant to the Indenture or to otherwise add additional security for the Secured Owners;

(E) to evidence any change made in the terms of any Series of Bonds or TIFIA Indebtedness if such changes are authorized by the Supplemental Indenture at the time the Series of Bonds or TIFIA Indebtedness is issued and such change is made in accordance with the terms of such Supplemental Indenture;

(F) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended;

(G) to modify, alter, amend or supplement the Indenture or any Supplemental Indenture in connection with entering into certain contracts to hedge the interest payable on all or a portion of any Series of Bonds pursuant to the Indenture or a Reimbursement Agreement or in any other respect which, in the judgment of the Authority, as concurred in by the Trustee, is not materially adverse to any of the Secured Owners;

(H) to qualify the Bonds, a Series of Bonds or TIFIA Indebtedness for a rating or ratings by any Rating Agency; and

(I) to comply with the requirements of the Code as are necessary, in the opinion of Bond Counsel, to prevent the inclusion of the interest on the Bonds or a Series of Bonds in gross income for purposes of federal income taxation.

No such Supplemental Indenture shall modify any of the rights or obligations of the Trustee without its prior written consent.

The Authority may execute and deliver a Supplemental Indenture, but only after there shall have been delivered to the Authority an opinion of Bond Counsel stating that such Supplemental Indenture is authorized or permitted by the Indenture, the Act and other applicable law, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on Bonds which are then unpaid and for which there has been delivered an opinion of Bond Counsel to the effect that interest on such Bonds is excluded from gross income for federal income tax purposes.

Supplemental Indentures Requiring Consent of Bond Owners (Section 10.3)

(A) Except for any Supplemental Indenture entered into pursuant to the provisions of the Indenture that do not require consent of Bond Owners and any Supplemental Indenture entered into pursuant to (B) below, subject to the terms and provisions contained in the Indenture and not otherwise, the Owners of not less than a majority of the aggregate Principal Obligation of the Bonds then Outstanding shall have the right from time to time to consent to and approve the execution by the Authority of any Supplemental Indenture deemed necessary or desirable by the Authority for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in a Supplemental Indenture; provided that, unless approved in writing by the Owners of all the Bonds then Outstanding or unless such change affects less than all Series of Bonds and the following subsection (B) is applicable, nothing in the Indenture shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal (or Accreted Amount, as applicable) of or interest on any Outstanding Bonds or (ii) a reduction in the principal amount (or Accreted Amount, as applicable) or redemption price of any Outstanding Bonds or the rate of interest thereon; and provided, further, that nothing in the Indenture, including the provisions of (B) below, shall, unless approved in writing by the Owners of all the Bonds then Outstanding, permit or be construed as permitting (iii) the creation of a lien (except as expressly permitted by the Indenture as originally executed) upon or pledge of the Pledged Funds created by the Indenture, ranking prior to or on parity with the claim created by the Indenture, or (iv) except as provided in the Indenture and except with respect to additional security which may be provided for a particular Series of Bonds, a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (v) a reduction in the aggregate Principal Obligation of Bonds the consent of the Bond Owners of which is required for any such Supplemental Indenture. Nothing in the Indenture, however, shall be construed as making necessary the approval by Bond Owners of the execution of any Supplemental Indenture as authorized in the Indenture where Bond Owner consent is not required, including the granting, for the benefit of particular Series of Bonds, security in addition to the pledge of the Pledged Funds.

(B) Subject to Section (C) below, the Authority may, from time to time and at any time execute a Supplemental Indenture which amends the provisions of an earlier Supplemental Indenture under which a Series, multiple Series of Bonds or TIFIA Indebtedness were issued. If such Supplemental Indenture is executed for one of the purposes where Bond Owner consent is not required under the Indenture, no notice to or consent of the Bond Owners shall be required. If such Supplemental Indenture contains provisions which affect the rights and interests of less than all Series of Bonds Outstanding and provisions not requiring Bond Owner consent is not applicable under the Indenture, then this subsection (B) rather than subsection (A) above shall control and, subject to the terms and provisions contained in the Indenture and not otherwise, the Owners of not less than a majority of the aggregate Principal Obligation of the Bonds of all Series which are affected by such changes shall have the right from time to time to consent to and approve the execution by the Authority of any Supplemental Indenture deemed necessary or desirable by the Authority for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in such Supplemental Indenture and affecting only the Bonds of such Series; provided that, unless approved in writing by the Owners of all the Bonds of all the affected Series then Outstanding, nothing in the Indenture shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal (or Accreted Amount, as applicable) of or interest on any Outstanding Bonds of such Series or (ii) a reduction in the principal amount (or Accreted Amount, as applicable) or redemption price of any Outstanding Bonds of such Series or the rate of interest thereon. Nothing in the Indenture, however, shall be construed as making necessary the approval by Bond Owners of the adoption of any Supplemental Indenture as authorized in the Indenture and which does not require Bond Owner consent, including the granting, for the benefit of particular Series of Bonds, security in addition to the pledge of the Pledged Funds.

(C) Anything in the Indenture (including (B) above) to the contrary notwithstanding, neither the Authority, the Trustee nor the Bond Owners may amend, modify, or supplement the Indenture in a way that could reasonably be expected to have an adverse effect on the TIFIA Indebtedness or the rights and privileges of any holder of the TIFIA Indebtedness under the Indenture without the prior written consent of the holder of the TIFIA Indebtedness.

(D) If at any time the Authority shall desire to enter into any Supplemental Indenture for any of the purposes stated above, the Authority shall cause notice of the proposed execution of the Supplemental Indenture to be given by Mail to all Secured Owners or, under (B) above, all Secured Owners of the affected Series. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that a copy thereof is on file at the office of the Authority for inspection by all Secured Owners.

(E) Not less than one week after the date of the first mailing of such notice, the Authority may execute and deliver such Supplemental Indenture in substantially the form described in such notice, but only if there shall have first been delivered to the Authority (i) the required consents, in writing, of Bond Owners, (ii) if applicable, the consent of the holders of the TIFIA Indebtedness, and (iii) an opinion of Bond Counsel stating that such Supplemental Indenture is authorized or permitted by the Indenture and other applicable law, complies with their respective terms and, upon the execution and delivery thereof, will be valid and binding upon the Authority in accordance with its terms and will not adversely affect the exemption from federal income taxation of interest on the Bonds.

(F) Subject to (C) above, if Bond Owners of not less than the percentage of Bonds required by the Indenture shall have consented to and approved the execution and delivery thereof as provided in the Indenture, no Bond Owners shall have any right to object to the adoption of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain the Authority from executing the same or from taking any action pursuant to the provisions thereof.

Effect of Supplemental Indenture (Section 10.4)

Upon execution and delivery of any Supplemental Indenture pursuant to the provisions stated above, the Indenture or the Supplemental Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture and the Supplemental Indenture of the Authority, the Trustee, the Paying Agent and all Bond Owners shall thereafter be determined, exercised and enforced under the Indenture and the Supplemental Indenture, if applicable, subject in all respects to such modifications and amendments.

Defeasance

Discharge of Indenture; Defeasance (Section 7.1)

Bonds, or portions thereof (such portions to be in integral multiples of the applicable authorized denomination), and Subordinated Indebtedness which have been paid in full or which are deemed to have been paid in full shall no longer be secured by or entitled to the benefits of the Indenture except for the purposes of payment from moneys or Defeasance Securities held by the Trustee or a Paying Agent for such purpose. When all Bonds, all Parity Obligations and Subordinated Indebtedness have been paid in full or are deemed to have been paid in full, and all other sums payable under the Indenture by the Authority, including all necessary and proper fees, compensation and expenses of the Trustee, the Registrar and the Paying Agent, have been paid or are duly provided for, then the right, title and interest of the Trustee in and to the Pledged Funds shall thereupon cease, terminate and become void, and thereupon the Trustee shall cancel, discharge and release the Indenture, shall execute, acknowledge and deliver to the Authority such instruments of satisfaction and discharge or release as shall be requisite to evidence such release and such satisfaction and discharge and shall assign and deliver to the Authority any property and Revenues at the time subject to the Indenture which may then be in the Trustee's possession, except funds or securities in which such funds are invested and held by the Trustee or the Paying Agents for payment of the principal (or Accreted Amount, as applicable) of, premium, if any, and interest on the Bonds, all Parity Obligations and Subordinated Indebtedness.

A Bond or Subordinated Indebtedness shall be deemed to be paid within the meaning of the Indenture and for all purposes of the Indenture when payment of the principal (or Accreted Amount, as applicable), interest and premium, if any, either (i) shall have been made or caused to be made in accordance with the terms of the Bond or Subordinated Indebtedness, as the case may be, and the Indenture or (ii) shall have been provided for by irrevocably depositing with the Trustee in trust and irrevocably setting aside exclusively for such payment, (a) moneys sufficient to make such payment and/or (b) non-callable, non-prepayable Defeasance Securities maturing as to principal (or Accreted Amount, as applicable) and interest in such amounts and at such times as will insure the availability of sufficient moneys (as calculated by an independent certified public accountant or firm of independent certified public accountants) to make such payment. At such times as Bonds or Subordinated Indebtedness shall be deemed to be paid under the Indenture, such Bonds or Subordinated Indebtedness, as the case may be, shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of payment from such moneys or Defeasance Securities.

Notwithstanding the foregoing paragraph, no deposit made pursuant to the immediately preceding paragraph shall be deemed a payment of such Bonds or Subordinated Indebtedness until there has been delivered to the Trustee a written opinion of nationally recognized counsel experienced in bankruptcy matters that the use of the moneys or Defeasance Securities so deposited to make payments on the Bonds or Subordinated Indebtedness, as the case may be, will not constitute a voidable preference under the United States Bankruptcy Code and until either (a) proper notice of redemption of such Bonds or notice of prepayment of any Subordinated Indebtedness, as the case may be, shall have been given in accordance with the Indenture or in the event such Bonds or Subordinated Indebtedness are not to be redeemed or prepaid within the next succeeding 60 days, until the Authority shall have given the Trustee irrevocable written instructions to notify, as soon as practicable and in accordance with the Indenture, the holders of the Bonds or the Subordinated Indebtedness, as the case may be, that the deposit required by the preceding paragraph above has been made with the Trustee and that such Bonds or Subordinated Indebtedness, as the case may be, are deemed to have been paid in accordance with the Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal (or Accreted Amount, as applicable) of and the applicable redemption premium, if any, on such Bonds or Subordinated Indebtedness, as the case may be; or (b) the maturity of such Bonds or Subordinated Indebtedness, as the case may be. Moreover, no Bond nor Subordinated Indebtedness the interest rate then applicable to which can change prior to the redemption or prepayment thereof and no Bond with respect to which a Credit Facility is then in effect shall be deemed to be paid within the meaning of the Indenture unless the Trustee shall have received written confirmation from each Rating Agency which has assigned a rating to such Bond or Subordinated Indebtedness (if any), as the case may be, at the request of the Authority that its rating will not be reduced or withdrawn as a result of the actions taken by the Authority pursuant to the provisions of the Indenture.

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APPENDIX D

FORM OF THE TIFIA LOAN AGREEMENT

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EXECUTION VERSION

UNITED STATES
DEPARTMENT OF TRANSPORTATION

TIFIA LOAN AGREEMENT

For Up to $211,350,000

With

DELAWARE TRANSPORTATION AUTHORITY

For the

NEW U.S. 301 PROJECT
(TIFIA – 2016-1001A)

Dated as of December 3, 2015

TABLE OF CONTENTS

TIFIA LOAN AGREEMENT

THIS TIFIA LOAN AGREEMENT (this "**Agreement**"), dated as of December 3, 2015, is entered into by and between **DELAWARE TRANSPORTATION AUTHORITY**, a public instrumentality and body corporate and politic of the State of Delaware (the "**State**"), created under the laws of the State, with an address of PO Box 778, Dover, DE 19903 (the "**Borrower**"), and the **UNITED STATES DEPARTMENT OF TRANSPORTATION**, an agency of the United States of America, acting by and through the Federal Highway Administrator (the "**Administrator**"), with an address of 1200 New Jersey Avenue, S.E., Washington, D.C .20590 (the "**TIFIA Lender**").

RECITALS:

WHEREAS, the Congress of the United States of America (the "**Congress**") has found that a well-developed system of transportation infrastructure is critical to the economic well-being, health and welfare of the people of the United States of America and, in furtherance thereof, has enacted the Transportation Infrastructure Finance and Innovation Act of 1998 ("**TIFIA**"), § 1501 *et seq.* of Public Law 105-178 (as amended by Public Law 105-206, Public Law 109-59 and Public Law 112-141) (the "**Act**"), codified as 23 U.S.C. §§ 601-609; and

WHEREAS, Section 603 of the Act authorizes the TIFIA Lender to enter into agreements with one or more obligors to make secured loans; and

WHEREAS, the Borrower has requested that the TIFIA Lender make the TIFIA Loan (as defined herein) in a principal amount not to exceed $211,350,000 (excluding interest that is capitalized in accordance with the terms hereof) to be used to pay a portion of the Eligible Project Costs (as defined herein) related to the Project (as defined herein) pursuant to the application for TIFIA credit assistance dated May 15, 2015 (the "**Application**"); and

WHEREAS, on August 10, 2015, the Secretary (as defined herein) approved TIFIA credit assistance for the Project in the form of the TIFIA Loan; and

WHEREAS, the TIFIA Lender is prepared to extend credit upon the terms and conditions hereof; and

WHEREAS, the Borrower agrees to repay any amount due pursuant to this Agreement and the TIFIA Bond (as defined herein) in accordance with the terms and provisions hereof and thereof; and

WHEREAS, the TIFIA Lender has entered into this Agreement in reliance upon, among other things, the Traffic and Revenue Study (as defined herein) and the Base Case Projections (as defined herein) delivered by the Borrower.

NOW, THEREFORE, the premises being as stated above, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged to be adequate, and intending to be legally bound hereby, it is hereby mutually agreed by and between the Borrower and the TIFIA Lender as follows:

SECTION 1. Definitions. Unless the context otherwise requires, capitalized terms used in this Agreement shall have the meanings set forth below in this Section 1 or as otherwise defined in this Agreement. Any term used in this Agreement that is defined by reference to any other agreement shall continue to have the meaning specified in such agreement, whether or not such agreement remains in effect.

"**1988 Trust Agreement**" shall mean the Trust Agreement, dated as of August 1, 1988, between the Borrower and Wilmington Trust Company, together with all agreements supplemental thereto as permitted therein.

"**1988 Trustee**" shall mean Wilmington Trust Company or any successor trustee to the 1988 Trust Agreement.

"**Acceptable Credit Rating**" means, with respect to any Person, the rating of its unsecured, senior long-term indebtedness (or, if such Person has no such rating, then its issuer rating or corporate credit rating) is no lower than (a) at the time such Person executes, delivers or issues a Qualified Hedge, a Credit Facility or a repurchase obligation, 'A+', 'A1' or the equivalent rating from each Nationally Recognized Rating Agency that provides on such Person's unsecured, senior long-term indebtedness or that provides an issuer rating or corporate credit rating for such Person, as applicable; and (b) at any time thereafter, 'A', 'A2' or the equivalent rating from any Nationally Recognized Rating Agency that provides on such Person's unsecured, senior long-term indebtedness or that provides an issuer rating or corporate credit rating for such Person, as applicable.

"**Acceptable Letter of Credit**" means a letter of credit, in form and substance satisfactory to the TIFIA Lender, issued by a Qualified Issuer.

"**Accreted Amount**" shall mean, with respect to any Capital Appreciation Bond or Deferred Income Bond, the amount representing principal and interest on such Capital Appreciation Bond or Deferred Income Bond at and prior to the maturity thereof, in the case of a Capital Appreciation Bond, or the expiration of the Accretion Period (as defined in the Indenture) thereof, in the case of a Deferred Income Bond, being, as of any date of computation an amount equal to the principal amount of such Bond at its initial offering plus the interest accrued thereon from the Delivery Date thereof to the June 1 or December 1 next preceding the date of computation (or, if the date of computation is June 1 or December 1, to said date), such interest to accrue at the rate per annum established as provided in a Supplemental Indenture, compounded periodically, plus, with respect to matters relating to the payment upon redemption of such Capital Appreciation Bond or Deferred Income Bond, if such date of computation shall not be June 1 or December 1, the ratable portion of the difference between the Accreted Amount as of the immediately preceding June 1 or December 1 (or the Delivery Date thereof if the date of computation is prior to the first June 1 or December 1 succeeding the Delivery Date) and the Accreted Amount as of the immediately succeeding June 1 or December 1, calculated based on the assumption that the Accreted Amount accrues during any period in equal daily amounts on the basis of a year of twelve 30-day months.

"**Act**" means the Act as defined in the recitals.

"**Additional Project Contract**" means any contract, agreement, letter of intent, understanding or instrument (other than a Principal Project Contract) entered into by (or on behalf of) the Borrower or DelDOT after the Effective Date, providing for the design, construction, testing, or start-up of the Project, safety, financial services, operation, repair, or maintenance of the Project, or otherwise relating to the Project, including any master contract providing for goods or services for multiple projects or assets including the Project.

"**Additional Senior Obligations**" means Senior Obligations permitted under Section 17(a) (*Indebtedness*) and under the Indenture that are issued or incurred after the Effective Date (but excluding the Series 2015 Bonds) and that satisfy the following requirements, in addition to meeting the requirements for issuance set forth in the Indenture, as applicable.

(a) If the proceeds thereof will be used to complete the construction of the Project or to comply with obligations under the Principal Project Contracts, the Borrower's Authorized Representative shall have certified to the Trustee and the TIFIA Lender in writing, and the Engineering Consultant shall have delivered a certification, that such Additional Senior Obligations are necessary for such completion or compliance, as applicable, and that the proceeds expected to be derived from the sale of such Additional Senior Obligations, together with other funds available to complete the Project, are expected to be sufficient to achieve Substantial Completion and complete construction of the Project; provided that (i) such Additional Senior Obligations may not be issued for any repair, replacement or refurbishment of the Project after it has opened for normal and continuous use and (ii) the aggregate amount of Additional Senior Obligations incurred pursuant to this clause (a) may not, without the prior written consent of the TIFIA Lender, exceed ten percent (10%) of the maximum principal amount of the Series 2015 Bonds issued to pay costs of the portion of the Project to be completed using the proceeds of such Additional Senior Obligations.

(b) If the proceeds thereof will be used to refinance Senior Obligations, the Borrower delivers to the Trustee and the TIFIA Lender a certificate from a Borrower's Authorized Representative showing that either (i) Annual Debt Service on all Bonds outstanding after the issuance of such refunding Bonds will not exceed Annual Debt Service on all Bonds outstanding prior to the issuance of such refunding Bonds in each Borrower Fiscal Year in which any such Bonds would have been outstanding but for the issuance of such refunding Bonds or (ii) the aggregate amount of the Adjusted Net Toll Revenues (determined based upon the Tolls estimated by the Traffic Consultant) to be received in the current Borrower Fiscal Year and in each Borrower Fiscal Year thereafter is not less than 1.5 times Annual Debt Service, taking into account the Bonds proposed to be issued, for each such Borrower Fiscal Year. In estimating the amount of future Tolls for purposes of this clause (b), the Traffic Consultant may take into account any revisions of the Tolls which have been approved by the Borrower and, if applicable, DelDOT, and which will be effective during such period, and any additional Tolls which the Traffic Consultant reasonably estimates will be received by the Borrower following the completion of any portion of an additional project then being constructed by or on behalf of the Borrower, subject to Section 17(n) (*Additional Projects*); provided, that a Borrower's Authorized Representative shall have certified in writing to the TIFIA Lender, and the Engineering Consultant shall have confirmed, as to the estimated completion date of such portion of the additional project and a Borrower Authorized

Representative shall have certified in writing to the TIFIA Lender as to the sufficiency of funds available with which to complete the same.

(c) If the proceeds thereof will be used for any reason not described in clause (a) or (b) above, such Additional Senior Obligations must receive an Investment Grade Rating and the Borrower's Authorized Representative shall have certified to the TIFIA Lender, and the Engineering Consultant shall have confirmed that:

(i) Adjusted Net Toll Revenues during the twelve (12) months preceding issuance produced a Total Debt Service Coverage Ratio at least equal to 1.20 in each Calculation Period during such twelve (12) month period; or

(ii) (A) Adjusted Net Toll Revenues during any twelve (12) consecutive months occurring in the most recent eighteen (18) months preceding issuance was not less than 1.5 times Annual Debt Service for that same 12-month period (including with respect to the proposed Additional Senior Obligations), (B) Adjusted Net Toll Revenues (certified by a Traffic Consultant and based upon reasonable assumptions) to be received in the then current Borrower Fiscal Year and in each Borrower Fiscal Year thereafter is not less than 1.5 times Annual Debt Service (including with respect to the proposed Additional Senior Obligations) for each such Borrower Fiscal Year, and (C) concurrently with the issuance, the amount on deposit in the Reserve Fund will be not less than the Reserve Fund Requirement (including with respect to the proposed Additional Senior Obligations).

(d) For each of clauses (a) through (c) above, the following additional requirements shall apply: (i) no Event of Default under any Indenture Document or this Agreement has occurred and is continuing, (ii) there will be no fundamental change in the use of the Project, and the activity or project to which such Additional Senior Obligations will be applied could not reasonably be expected to result in a Material Adverse Effect, (iii) the Nationally Recognized Rating Agency that provided the most recent public ratings of the Senior Obligations and the TIFIA Loan in accordance with Section 16(j) (*Annual Rating*) shall have provided a confirmation or affirmation (or the equivalent) that the incurrence of such Additional Senior Obligations shall not result in a downgrade of the lower of (A) the then-existing credit ratings of the Senior Obligations and the TIFIA Loan, respectively, and (B) the credit ratings of the Senior Obligations and the TIFIA Loan, respectively, as of the Effective Date or the closing date (to the extent the Series 2015 Bonds are issued on a day other than the Effective Date) and (iv) repayment of the principal amount of such Additional Senior Obligations does not commence before the Debt Service Payment Commencement Date.

"**Adjusted Net Toll Revenues**" means, for any period, the remainder of (i) the Tolls for such period and the earnings derived in such period from the investment of moneys on deposit in the Debt Service Fund, the Reserve Fund and the Repair and Replacement Fund minus (ii) the Current Expenses for such period paid from Revenues.

"**Administrator**" has the meaning provided in the preamble.

"**Agreement**" has the meaning provided in the preamble.

"**Annual Debt Service**" shall mean (i) the amount of principal (or Accreted Amount, as applicable) and interest becoming due with respect to Bonds (including the TIFIA Bond, subject to clause (h) below) in a Borrower Fiscal Year, calculated by the Borrower (or its financial consultant) as provided in this definition and as set forth in the most recent Revised Financial Model (or in the Base Case Financial Model to the extent that no Revised Financial Model has been approved by the TIFIA Lender), plus (ii) Reimbursement Obligations payable or estimated by the Borrower to be payable in such Borrower Fiscal Year (but only to the extent they are not duplicative of such principal (or Accreted Amount, as applicable) and interest), plus (iii) the amounts, if any, payable or estimated by the Borrower to be payable by the Borrower in such Borrower Fiscal Year with respect to Hedging Agreements with respect to such Bonds, minus (iv) the amounts, if any, payable or estimated by the Borrower to be payable to the Borrower in such Borrower Fiscal Year with respect to Hedging Agreements in respect of such Bonds, provided that the difference between the amounts described in clauses (iii) and (iv) shall be included only to the extent that such difference would not be recognized as a result of the application of the assumptions set forth below. The following assumptions shall be used to determine the Annual Debt Service becoming due in any Fiscal Year:

(a) there shall be excluded from Annual Debt Service for all purposes hereof any amounts which are payable (other than upon acceleration) exclusively from a fund or account (other than the Debt Service Fund or a Series Credit Facility Fund on parity with such fund) that has been funded exclusively with amounts that do not constitute Revenues and which amounts are not subject to reimbursement by the Borrower in whole or in part from Revenues;

(b) payments of principal (or Accreted Amount, as applicable) or interest which are due on or before the fifteenth (15^{th}) day of a Borrower Fiscal Year shall be assumed to be due on the last day of the immediately preceding Borrower Fiscal Year;

(c) in determining the principal amount (or Accreted Amount, as applicable) due with respect to Bonds in each Borrower Fiscal Year (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization), payment shall be assumed to be made in accordance with any amortization schedule established for such debt, including any scheduled redemption of Bonds on the basis of Accreted Amount, and for such purpose the redemption payment shall be deemed a principal payment;

(d) if any of the outstanding Bonds constitute Balloon Indebtedness, or if Bonds then proposed to be issued would constitute Balloon Indebtedness, then such amounts thereof as constitute Balloon Indebtedness shall be treated as if such Bonds were to be amortized in substantially equal annual installments of debt service over a term equal to the number of years then remaining to the maturity of such Bonds;

(e) if any outstanding Bond constitutes Tender Indebtedness or if any Bond then proposed to be issued would constitute Tender Indebtedness, then for purposes of determining the amounts of principal (or Accreted Amount, as applicable) and interest due in any Borrower Fiscal Year on such Bond, the options or obligations of the owners of such Bonds to tender the same for purchase or payment prior to their stated maturity or maturities shall be treated as having a principal maturity (but any such amount treated as having a maturity shall not be eligible for treatment as Balloon Indebtedness) occurring on the first date on which owners of such Bonds may or are required to tender such Bonds, except that any such option or obligation to tender Bonds shall be ignored and not treated as a principal maturity if both (i) such Bonds are rated in one of the two highest long-term Rating Categories by each Rating Agency which has assigned a rating to any such outstanding Bond at the request of the Borrower or such Bonds are rated in the highest short-term, note or commercial paper Rating Category by each Nationally Recognized Rating Agency which has assigned a rating to any such outstanding Bond at the request of the Borrower, and (ii) any obligation the Borrower may have, other than its obligation on such Bonds, to reimburse any person for having extended a Credit Facility or similar arrangement, shall be either a Reimbursement Obligation with respect to an obligation incurred under and meeting the tests and conditions set forth in Article 2 of the Indenture (in which case the obligations of the Borrower to make principal payments (or Accreted Amount, as applicable) thereunder shall be treated as principal maturities) or a subordinate obligation issued pursuant to Section 5.16 of the Indenture;

(f) if any Bond constitutes Variable Interest Rate Bonds, or if any Bond proposed to be issued will be a Variable Interest Rate Bond, the interest rate on such Bond shall be assumed to be the Variable Interest Rate, provided that if the maximum interest rate payable by the Borrower with respect to any or all of such Bonds has been limited pursuant to an Qualified Hedge, then the interest rate to be used for the aforesaid computation with respect to the Variable Interest Rate Bonds covered by such Qualified Hedge shall not exceed the sum of (A) the maximum interest rate as so limited, and (B) the annual charges payable by the Borrower pursuant to said Hedging Agreement, expressed as a percentage of the principal amount of the Variable Interest Rate Bonds which is covered thereby, and provided further that if any or all of such Variable Interest Rate Bonds then constitute Pledged Bonds, the interest rate to be used for the aforesaid computation with respect to the principal amount of such Pledged Bond shall be the rate then applicable to the Borrower's Reimbursement Obligation under its Reimbursement Agreement with the Credit Facility provider in question;

(g) if moneys or Government Obligations have been irrevocably deposited with and are held by the Trustee or another fiduciary to be used to pay principal (or Accreted Amount, as applicable) and/or interest on any specified Bond or Bonds or the fees and expenses of a bank or a remarketing agent, then the principal (or Accreted Amount, as applicable) and/or interest to be paid from such moneys, from Government Obligations or from the earnings thereon shall be disregarded and not included in calculating Annual Debt Service; and

(h) For purposes of calculating Reserve Fund Requirements under the Indenture and this Agreement, Annual Debt Service shall not include TIFIA Debt Service unless a Bankruptcy Related Event shall have occurred.

"**Anticipated TIFIA Loan Disbursement Schedule**" means the schedule set forth as **Exhibit B**, reflecting the anticipated disbursement of proceeds of the TIFIA Loan, as such schedule may be amended from time to time pursuant to Section 4(c) (*Disbursement Conditions*).

"**Application**" has the meaning provided in the recitals.

"**Balloon Indebtedness**" shall mean any series of Bonds 25% or more of the principal (or Accreted Amount, as applicable) of which matures in the same Borrower Fiscal Year and is not required by the documents pursuant to which such Series was issued to be amortized by payment or redemption prior to that Borrower Fiscal Year, provided that such series of Bonds will not constitute Balloon Indebtedness if the Annual Debt Service for such series of Bonds in the Borrower Fiscal Year referred to above (disregarding clause (d) of the definition of Annual Debt Service for such calculation) is less than 125% of the Annual Debt Service for the immediately preceding Borrower Fiscal Year.

"**Bank Lending Margin**" means in respect of any Variable Interest Rate Senior Obligations, the "**Applicable Margin**" or comparable interest rate margin as defined in the financing documents related to such Variable Interest Rate Senior Obligations.

"**Bank Secrecy Act**" means the Bank Secrecy Act of 1970, as amended, and the regulations promulgated thereunder.

"**Bankruptcy Related Event**" means, with respect to any Person (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of such Person or any of its debts, or of a substantial part of the assets thereof, under any Insolvency Laws, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for such Person or for a substantial part of the assets thereof and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered, (b) such Person shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official therefor or for a substantial part of the assets thereof, (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, (iii) solely with respect to the Borrower, fail to make two (2) consecutive payments of TIFIA Debt Service in accordance with the provisions of Section 9 (*Payment of Principal and Interest*), (iv) make a general assignment for the benefit of creditors, (v) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, (vi) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any Insolvency Law, (vii) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (vi), inclusive, of this clause (b), or (viii) take any action for the purpose of effecting any of the foregoing, including seeking approval or legislative enactment by any Governmental Authority to authorize commencement of a voluntary proceeding under any Insolvency Law, (c) solely with respect to the Borrower, (i) the Trustee shall commence a process pursuant to which all or a substantial part of the Trust Estate may be sold or otherwise disposed of in a public or private sale or disposition pursuant to a foreclosure of the Liens thereon securing the Bonds or any Hedging Agreement or Credit Facility in respect of any Bonds, or (ii) the Trustee shall commence a process pursuant to which all or a substantial part of the Trust Estate may be sold or otherwise disposed of pursuant to a sale or disposition of such Trust Estate in lieu of foreclosure, or (d) solely with respect to the Borrower, the Trustee shall transfer, pursuant to directions issued by the Bondholders, funds on deposit in any of the Project Accounts upon the occurrence and during the continuation of an Event of Default under the Indenture Documents for application to the prepayment or repayment of any principal (or Accreted Amount, as applicable) amount of the Bonds other than in accordance with the provisions of the Indenture.

"**Base Case Financial Model**" means a financial model prepared by the Borrower forecasting the revenues and expenditures of the Project, including Eligible Project Costs of the Project, for time periods through the Final Maturity Date and based upon assumptions and methodology provided by the Borrower and acceptable to the TIFIA Lender as of the Effective Date, which model shall be provided to the TIFIA Lender as a fully functional Microsoft Excel – based financial model or such other format requested by the TIFIA Lender.

"**Base Case Projections**" means the initial forecast for the Project prepared as of the Effective Date using the Base Case Financial Model.

"**Bond**" means indebtedness and securities of any kind or class, including bonds, notes, bond anticipation notes, commercial paper, and other obligations issued under the provisions of Article 2 of the Indenture, including the TIFIA Bond but subject to the Indenture provisions related to the treatment of the TIFIA Bond as a Bond.

"**Bond Proceeds Funded Account**" means the account created within the Reserve Fund and so designated by Section 4.4 of the Indenture.

"**Bondholder**" means the registered owner of any Bond and, from and after the occurrence of a Bankruptcy Related Event, the TIFIA Lender.

"**Borrower**" has the meaning provided in the preamble.

"**Borrower Fiscal Year**" means (a) as of the Effective Date, a fiscal year of the Borrower commencing on July 1 of any calendar year and ending on June 30 of the immediately succeeding calendar year, or (b) such other fiscal year as the Borrower may hereafter adopt after giving thirty (30) days' prior written notice to the TIFIA Lender, as provided in Section 17(g) (*Organizational Documents; Fiscal Year*).

"**Borrower's Authorized Representative**" means any Person who shall be designated as such pursuant to Section 26 (*Borrower's Authorized Representative*).

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which offices of the Government or the State are authorized to be closed or on which commercial banks are authorized or required by law, regulation or executive order to be closed in New York, New York, Dover, Delaware, or the city and state in which the Trustee has its principal corporate trust office.

"**Calculation Date**" means each June 1 and December 1 occurring after the Effective Date.

"**Calculation Period**" means a twelve (12) month period ending on a Calculation Date.

"**Capital Appreciation Bonds**" means any Permitted Debt as to which interest is payable only at the maturity or prior redemption of such Permitted Debt.

"**Capital Expenditures**" means expenditures made or liabilities incurred for the acquisition of any assets, improvements or replacements thereto that have a useful life of more than one (1) year and that are capitalized in accordance with GAAP.

"**Capitalized Interest Period**" means the period from (and including) the Effective Date to (but excluding) the first day of the initial Payment Period.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time.

"**Congress**" has the meaning provided in the recitals.

"**Construction Agreement**" means each contract to be entered into by DelDOT and one or more Construction Contractors in connection with the design, procurement, engineering and construction of each Segment of the Project.

"**Construction Contractor**" means each party to a Construction Agreement, other than the Borrower or DelDOT.

"**Construction Fund**" means the Construction Fund established pursuant to Section 4.1 of the Indenture.

"**Construction Period**" means the period from the Effective Date through the Substantial Completion Date.

"**Construction Schedule**" means (a) the initial schedule or schedules on which the construction timetables for the Project are set forth, attached as **Schedule II**, and (b) any updates thereto included in the Financial Plan most recently approved by the TIFIA Lender pursuant to Section 22(a)(iii) (*Financial Plan*).

"**Control**" means, when used with respect to any particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person whether through the ownership of voting securities or partnership or other ownership interests, by contract or otherwise; and the terms "**Controlling**" and "**Controlled by**" have meanings correlative to the foregoing.

"**CPI**" means the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100 (not seasonally adjusted), or its successor, published by the Bureau of Labor Statistics, with, unless otherwise specified herein, January 2015 as the base period.

"**Credit Facility**" means any letter of credit, standby bond purchase agreement, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing), which is obtained by the Borrower and is issued by a financial institution, insurance provider or other Person and which provides security or liquidity in respect of any Permitted Debt.

"**Current Expenses**" shall mean the Borrower's reasonable and necessary current operating expenses, determined in accordance with generally accepted accounting principles, with respect to the Project, which may include payments with respect to financing leases and installment purchase agreements (but only leases and installment purchase agreements pertaining to toll collection and revenue management systems, including transponders), transponder purchases, annually recurring premiums and reserves for insurance, fees and expenses of the Trustee, the registrar and any paying agent under the Indenture, remarketing agents, tender agents, and broker- dealers and amounts required to be deposited into the Rebate Account pursuant hereto and any other such operating expenses required or permitted to be paid by the Borrower under the provisions of this Indenture and the Act (as defined in the Indenture), but shall not include depreciation or any reserves for extraordinary maintenance or repair.

"**Debt Service Fund**" shall mean the fund created and so designated pursuant to Section 4.3 of the Indenture.

"**Debt Service Payment Commencement Date**" means a date no later than the fifth (5th) anniversary of the Substantial Completion Date or, if such date does not fall on a Semi-Annual Payment Date, then the Debt Service Payment Commencement Date shall be the Semi-Annual Payment Date immediately preceding the fifth (5th) anniversary of the Substantial Completion Date.

"**Default Rate**" means an interest rate equal to the sum of (a) the TIFIA Interest Rate <u>plus</u> (b) 200 basis points.

"**Deferred Income Bond**" means any Permitted Debt (a) as to which interest accruing thereon prior to the applicable Interest Commencement Date of such Permitted Debt is (i) compounded on each Valuation Date for such Deferred Income Bond and (ii) payable only at the maturity or prior redemption of such Permitted Debt and (b) as to which interest accruing after the applicable Interest Commencement Date is payable on the first interest payment date immediately succeeding the Interest Commencement Date and thereafter on the dates specified in or determined pursuant to the Supplemental Indenture authorizing the Permitted Debt. For the purposes of receiving payment of the redemption price if a Deferred Income Bond is redeemed prior to maturity, the principal amount of a Deferred Income Bond shall be deemed to be its Accreted Amount.

"**Delaware Turnpike**" means the toll express highway designated Delaware Interstate 95 extending from a point in the vicinity of Farnhurst, Delaware, to a point at or near the boundary line between the State and the state of Maryland.

"**DelDOT**" means the Delaware Department of Transportation or any successor agency.

"**Development Default**" means (a) the Borrower fails to diligently prosecute the work related to the Project, or (b) the Borrower fails to complete the Project by the Projected Substantial Completion Date.

"**Effective Date**" means the date of this Agreement.

"**Eligible Project Costs**" means amounts included in the Project Budget, substantially all of which are paid by or for the account of the Borrower in connection with the Project, including prior Project expenditures incurred by the Borrower from Borrower Fiscal Year 2005 to the date of the Application, all of which shall arise from the following:

(a) development phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, permitting, preliminary engineering and design work and other preconstruction activities;

(b) construction, reconstruction, rehabilitation, replacement and acquisition of real property (including land related to the Project and improvements to land), environmental mitigation, construction contingencies and acquisition of equipment; or

(c) capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses and other carrying costs during construction.

"**Engineering Consultant**" means Rummel, Klepper & Kahl, LLP, or any replacement engineering firm selected by the Borrower and not objected to by the TIFIA Lender within fifteen (15) Business Days after receiving written notice from the Borrower of the name of the proposed replacement engineering firm and supporting information regarding the qualifications of the proposed replacement engineering firm.

"**Environmental Laws**" has the meaning provided in <u>Section 14(s)</u> (*Environmental Matters*).

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and the regulations thereunder, in each case as in effect from time to time.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"**Event of Default**" has the meaning provided in <u>Section 20(a)</u> (*Events of Default and Remedies*).

"**Event of Loss**" means any event or series of events that causes any portion of the Project to be damaged, destroyed or rendered unfit for normal use for any reason whatsoever, including through a failure of title, or any loss of such property, or a condemnation.

"**Federal Fiscal Year**" or "**FFY**" means the fiscal year of the Government, which is the twelve (12) month period that ends on September 30 of the specified calendar year and begins on October 1 of the preceding calendar year.

"**FHWA**" means the Federal Highway Administration, an agency of the USDOT.

"**FHWA Division Office**" means the Delaware Division Office of the FHWA.

"**FHWA Oversight Agreement**" means that certain Stewardship and Oversight Agreement on Project Assumption and Program Oversight, dated as of May 6, 2015, by and between the FHWA Division Office and DelDOT, attached as **Exhibit F**.

"**Final Maturity Date**" means the earlier of (a) the date that is thirty-five (35) years from the Substantial Completion Date, as the same may be adjusted in connection with an update to the Financial Plan pursuant to Section 22(a)(iii) and (b) December 31, 2053.

"**Financial Plan**" means (a) the financial plan to be delivered within sixty (60) days after the Effective Date in accordance with Section 22(a) (*Financial Plan*), and (b) any updates thereto required pursuant to Section 22(a) (*Financial Plan*).

"**Financial Statements**" has the meaning provided in Section 14(z) (*Financial Statements*).

"**GAAP**" means generally accepted accounting principles as defined by the American Institute of Certified Public Accountants or such other nationally recognized professional body, in effect from time to time in the United States of America.

"**GARVEE Bonds**" has the meaning provided in Section 14(cc) (*Sufficient Funds*).

"**Government**" means the United States of America and its departments and agencies.

"**Government Obligations**" means (a) direct obligations of, or obligations on which the timely payment of principal and interest are fully and unconditionally guaranteed by, the Government, (b) bonds, debentures or notes issued by any of the following federal agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks, Export-Import Bank of the United States, Government National Mortgage Association or Federal Land Banks, (c) obligations issued or guaranteed by a Person controlled or supervised by and acting as an instrumentality of the Government pursuant to authority granted by the Congress, and (d) evidences of ownership of proportionate interests in future interest or principal payments on obligations specified in clauses (a), (b) and (c) of this definition held by a bank or trust company as custodian and which underlying obligations are not available to satisfy any claim of the custodian or any Person claiming through the custodian or to whom the custodian may be obligated, in each case.

"**Governmental Approvals**" means all authorizations, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions and declarations of or with any Governmental Authority.

"**Governmental Authority**" means any federal, state, provincial, county, city, town, village, municipal or other government or governmental department, commission, council, court, board, bureau, agency, authority or instrumentality (whether executive, legislative, judicial, administrative or regulatory), of or within the United States of America or its territories or possessions, including the State and its counties and municipalities, and their respective courts, agencies, instrumentalities and regulatory bodies, or any entity that acts "on behalf of" any of the foregoing, whether as an agency or authority of such body.

"**Hedging Agreement**" means (a) the ISDA Master Agreement and any related credit support annex, schedules and confirmations, to be entered into by the Borrower and a Hedging Bank, (b) any other agreement entered into, or to be entered into, by the Borrower and a Hedging Bank for a Hedging Transaction, and (c) any other documentation directly relating to the foregoing.

"**Hedging Banks**" means any Qualified Hedge Provider that becomes a party to a Hedging Agreement and its permitted successors (to the extent such successors are also Qualified Hedge Providers).

"**Hedging Obligations**" means, collectively, the payment of (a) all scheduled amounts payable to the Hedging Banks by the Borrower under the Hedging Agreements (including interest accruing after the date of any filing by the Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the Borrower), net of all scheduled amounts payable to the Borrower by such Hedging Banks, and (b) all other indebtedness, fees, indemnities and other amounts payable by the Borrower to the Hedging Banks under such Hedging Agreements, net of all other indebtedness, fees, indemnities and other amounts payable by the Hedging Banks to the Borrower under such Hedging Agreements; provided, that Hedging Obligations shall not include Hedging Termination Obligations. For the avoidance of doubt, all calculations of such amounts payable under the Hedging Agreements shall be made in accordance with the terms of the applicable Hedging Agreements.

"**Hedging Termination Obligations**" means the aggregate amount payable to the Hedging Banks by the Borrower upon the early termination or early unwind of all or a portion of the Hedging Agreements, net of all amounts payable to the Borrower by such Hedging Banks upon the early unwind of all or a portion of such Hedging Agreements. For the avoidance of doubt, all calculations of such amounts payable under the Hedging Agreements shall be made in accordance with the terms of the applicable Hedging Agreements.

"**Hedging Transaction**" means any interest rate protection agreement, interest rate swap transaction, interest rate "cap" transaction, interest rate future, interest rate option or other similar interest rate hedging arrangement commonly used in loan transactions to hedge against interest rate increases and not for any speculative purpose.

"**Indemnitee**" has the meaning provided in Section 18 (*Indemnification*).

"**Indenture**" means that certain Master Indenture of Trust, dated as of December 1, 2015, between the Borrower and the Trustee.

"**Indenture Documents**" means the Indenture, each Supplemental Indenture, each Hedging Agreement, each Credit Facility, the 1988 Trust Agreement, Supplemental Agreement No. 27, and each other agreement, instrument and document executed and delivered pursuant to or in connection with any of the foregoing.

"**Insolvency Laws**" means the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, as from time to time amended and in effect, and any state bankruptcy, insolvency, receivership, conservatorship, or similar law now or hereafter in effect.

"**Interest Commencement Date**" means, with respect to any particular Deferred Income Bond, the date determined by the Supplemental Indenture for such Deferred Income Bond after which interest accruing on such Deferred Income Bond shall be payable on the first interest payment date succeeding such Interest Commencement Date and periodically thereafter on the dates determined pursuant to such Supplemental Indenture.

"**Interim Payment Date**" means any day occurring during a Payment Period that (a) is a date on which interest on or principal of Senior Obligations, Pari Passu Obligations or Subordinated Obligations is scheduled to be paid and (b) is not a Semi-Annual Payment Date.

"**Interim Payment Period**" means, at any time that interest on or principal of any Senior Obligations, Pari Passu Obligations or Subordinated Obligations is scheduled to be paid on an Interim Payment Date, any period from and including the immediately preceding Payment Date to but excluding such Interim Payment Date.

"**Investment Grade Rating**" means a public rating no lower than 'BBB-', 'Baa3' or the equivalent public rating from a Nationally Recognized Rating Agency.

"**ISDA Master Agreement**" means a master agreement, entered into by the Borrower and a Hedging Bank, in the form published by the International Swaps and Derivatives Association, Inc.

"**Lien**" means any mortgage, pledge, hypothecation, assignment, mandatory deposit arrangement, encumbrance, attachment, lien (statutory or other), charge or other security interest, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including any sale-leaseback arrangement, any conditional sale or other title retention agreement, any financing lease having substantially the same effect as any of the foregoing, and the filing of any financing statement or similar instrument under the UCC or any other applicable law.

"**Loan Amortization Schedule**" means the Loan Amortization Schedule reflected in the applicable column of **Exhibit G-1**, as amended from time to time in accordance with <u>Section 7</u> (*Outstanding TIFIA Loan Balance; Revisions to Exhibit G-1 and Loan Amortization Schedule*) and <u>Section 9(h)</u> (*TIFIA Bond; Adjustments to Loan Amortization Schedule*).

"**Loss Proceeds**" means any proceeds of insurance resulting from any Event of Loss.

"**Major Maintenance**" means all reasonably necessary periodic major overhaul and repair (excluding any maintenance or repair of a routine or ordinary course nature) of the Project, including the equipment and systems of the Project.

"**Major Maintenance Costs**" means all expenses incurred or to be incurred by the Borrower relating to Major Maintenance.

"**Material Adverse Effect**" means a material adverse effect on (a) the Project, the Revenues or the Pledged TTF Revenues, (b) the business, operations, properties, condition (financial or otherwise) or prospects of the Borrower, (c) the legality, validity or enforceability of any material provision of any Indenture Document, TIFIA Loan Document or Principal Project Contract, (d) the ability of the Borrower, DelDOT or any other Principal Project Party to enter into, perform or comply with any of its material obligations under any Indenture Document, TIFIA Loan Document or Principal Project Contract to which it is a party, (e) the validity, enforceability or priority of the Liens provided under the Indenture Documents on the Trust Estate or the Pledged TTF Revenues in favor of the Secured Parties or (f) the TIFIA Lender's rights or remedies available under any TIFIA Loan Document.

"**Maximum Annual Debt Service**" shall mean the maximum amount of Annual Debt Service with respect to any indebtedness of the Borrower issued hereunder for any Borrower Fiscal Year during the term of such indebtedness.

"**Nationally Recognized Rating Agency**" means any nationally recognized statistical rating organization identified as such by the Securities and Exchange Commission.

"**NEPA**" means the National Environmental Policy Act of 1969, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time.

"**NEPA Determination**" means that certain Record of Decision, US 301: Delaware/Maryland State Line to SR 1, South of the Chesapeake & Delaware Canal New Castle County, Delaware, signed on April 30, 2008 by FHWA DelMar Division (FHWA ID No. 52-0599112) and as supplemented by that certain Design Refinements Report, dated November 2011.

"**Net Loss Proceeds**" means remaining Loss Proceeds after excluding any proceeds of business interruption insurance, delay-in-start-up insurance, proceeds covering liability of the Borrower to third parties, and Loss Proceeds used or to be used by the Borrower to repair or restore the Project in accordance with Section 5.7 of the Indenture.

"**Net Toll Revenues**" means, for any period, the Tolls for such period minus the Current Expenses for such period.

"**OFAC**" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"**Operating Fund**" means the Operating Fund established pursuant to Section 4.2 of the Indenture.

"**Organizational Documents**" means: (a) with respect to any Person that is a Governmental Authority, (i) the constitutional and statutory provisions that are the basis for the existence and authority of such Governmental Authority, including any enabling statutes, ordinances or public charters and any other organic laws establishing such Governmental Authority and (ii) the bylaws, code of regulations, operating procedures or other organizational documents of or adopted by such Governmental Authority by which such Governmental Authority, its powers, operations or procedures or its securities, bonds, notes or other obligations are governed or from which such powers are derived; and (b) with respect to a Person that is not a Governmental Authority, (i) to the extent such Person is a corporation, the certificate or articles of incorporation and the by-laws of such Person, (ii) to the extent such Person is a limited liability company, the certificate of formation or articles of formation or organization and operating or limited liability company agreement of such Person and (iii) to the extent such Person is a partnership, joint venture, trust or other form of business, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization or formation of such Person.

"**Other Indebtedness Covenant Default**" has the meaning provided in Section 20(a)(vi) (*Cross Default*).

"**Other Indebtedness Misrepresentation Default**" has the meaning provided in Section 20(a)(vi) (*Cross Default*).

"**Outstanding TIFIA Loan Balance**" means the aggregate principal amount drawn by the Borrower and then outstanding (including capitalized interest) with respect to the TIFIA Loan, as determined in accordance with Section 7 (*Outstanding TIFIA Loan Balance; Revisions to Exhibit G-1 and Loan Amortization Schedule*).

"**Pari Passu Obligations**" means any borrowing or indebtedness of the Borrower permitted under Section 17(a) (*Indebtedness*) and under the Indenture, other than any Senior Obligations, which ranks pari passu in right of payment with the TIFIA Loan.

"**Patriot Act**" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, and all regulations promulgated thereunder.

"**Payment Date**" means each Semi-Annual Payment Date or Interim Payment Date.

"**Payment Default**" has the meaning provided in Section 20(a)(i) (*Payment Default*).

"**Payment Period**" means any period of six (6) months from (and including) a Semi-Annual Payment Date to (but excluding) the next succeeding Semi-Annual Payment Date,

commencing with the six (6) month period ending on the date immediately prior to the Debt Service Payment Commencement Date.

"**Permitted Debt**" means:

(a) the TIFIA Loan;

(b) the Series 2015 Bonds;

(c) Additional Senior Obligations that satisfy each of the requirements in the definition thereof;

(d) reimbursement obligations in respect of letters of credit and other financial obligations of the Borrower, whether arising under the Principal Project Contracts or under other agreements executed by the Borrower in connection with the Project for Total Project Costs, Current Expenses, Major Maintenance Costs or Capital Expenditures, the face value of which letters of credit and other financial obligations at any time outstanding do not, in the aggregate, exceed $5,000,000;

(e) purchase money obligations or capitalized leases incurred to finance discrete items of equipment not comprising an integral part of the Project but that qualify as Current Expenses, Major Maintenance Costs or Capital Expenditures, which obligations and leases do not require payments by the Borrower in any Borrower Fiscal Year in excess of $500,000 in the aggregate;

(f) trade accounts payable (other than for borrowed money) so long as such trade accounts payable are payable not later than ninety (90) days after the respective goods are delivered or the respective services are rendered;

(g) working capital loans the proceeds of which are used to pay Current Expenses, Major Maintenance Costs or Capital Expenditures; provided that the principal amount of such loans shall not exceed $5,000,000 in the aggregate at any time and shall be repaid within three (3) years of the incurrence thereof;

(h) indebtedness incurred in respect of Qualified Hedges; and

(i) any bond, note, certificate, warrant, lease, contract or other financial obligation or security of the Borrower that is not, in whole or in part, secured by a Lien on, or payable from, the Revenues or any other part of the Trust Estate (other than Pledged TTF Revenues).

"**Permitted Hedging Termination**" means the early termination, in whole or in part, of any Qualified Hedge (a) at the request of the Borrower as a result of a determination by the Borrower that such (or any part of such) Qualified Hedge is no longer necessary or required under the terms of this Agreement, (b) pursuant to the terms of any Hedging Agreement evidencing such Qualified Hedge that provides for the notional amount of such Qualified Hedge to amortize or otherwise be reduced from time to time or (c) as may be required pursuant to Section 16(o)(vii) (*Hedging*).

"**Permitted Investments**" means, with respect to the investment of the proceeds of the TIFIA Loan or amounts on deposit in the accounts specified in Section 16(k)(iv), and to the extent not less stringent than the requirements of "Permitted Investments" as defined in the Indenture, the following:

(a) Government Obligations;

(b) certificates of deposit where the certificates are collaterally secured by securities of the type described in clause (a) of this definition and held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, but this collateral is not required to the extent the certificates of deposit are insured by the Government;

(c) repurchase agreements with counterparties that have an Acceptable Credit Rating, when collateralized by securities of the type described in clause (a) of this definition and held by a third party as escrow agent or custodian, of a market value not less than the amount of the repurchase agreement so collateralized, including interest;

(d) investment agreements or guaranteed investment contracts rated, or with any financial institution whose senior long-term debt obligations are rated, or guaranteed by a financial institution whose senior long-term debt obligations are rated, in each case, in one of the two (2) highest Rating Categories for comparable types of obligations by any Nationally Recognized Rating Agency; and

(e) money market funds that invest solely in obligations of the United States of America, its agencies and instrumentalities, and having a rating by a Nationally Recognized Rating Agency equal to the then applicable rating of the United States of America by such Nationally Recognized Rating Agency.

"**Permitted Liens**" means:

(a) Liens imposed pursuant to the TIFIA Loan Documents;

(b) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 16(n) (*Material Obligations; Liens*);

(c) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested in compliance with Section 16(n) (*Material Obligations; Liens*);

(d) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance, and other social security laws or regulations;

(e) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(f) judgment Liens in respect of judgments that do not constitute an Event of Default under Section 20(a)(vii) (*Judgments*);

(g) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that, in any case, do not secure any monetary obligations, interfere with the ordinary conduct of business of the Borrower, or, if such real property is being incorporated into or used in connection with the Project, do not materially detract from the value of the affected property or impair operation or maintenance of the Project;

(h) any Lien on any property or asset of the Borrower existing on the Effective Date; provided, that (i) such Lien shall not apply to any other property or asset of the Borrower not covered by such Lien as of the Effective Date, and (ii) such Lien shall secure only those obligations which it secures on the Effective Date and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(i) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower; provided, that (i) such Lien is not created in contemplation of or in connection with such acquisition, (ii) such Lien shall apply solely to the acquired asset and not to any other property or assets of the Borrower, and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof; and

(j) purchase money security interests in equipment hereafter acquired by the Borrower; provided, that (i) such security interests secure indebtedness for borrowed money permitted by Section 17(a) (*Indebtedness*), (ii) such security interests are incurred, and the indebtedness secured thereby is created, within ninety (90) days after such acquisition, (iii) the indebtedness secured thereby does not exceed the fair market value of such equipment at the time of such acquisition, and (iv) such security interests do not apply to any other property or assets (other than accessions to such equipment) of the Borrower.

"**Person**" means and includes an individual, a general or limited partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and any Governmental Authority.

"**Pledged Bonds**" shall mean a Bond purchased by the Trustee (and/or any entity appointed by the Borrower as a paying agent pursuant to Section 9.11 of the Indenture) with amounts received pursuant to a drawing under a Credit Facility and pledged to or registered in the name of a provider of such Credit Facility or its designee.

"**Pledged Funds**" shall mean (i) all Revenues and (ii) moneys on deposit in any fund or account held by or for the benefit of the Trustee hereunder except the Rebate Fund and any Series Credit Facility Fund.

"**Pledged TTF Revenues**" shall mean all moneys paid or payable to the 1988 Trustee by or for the account of the Borrower, including, but not limited to, all revenues from the motor fuel tax, Delaware Turnpike, and document fees (all as more fully described in the 1988 Trust Agreement), the proceeds of all drawings by or advances to the 1988 Trustee, as trustee under the 1988 Trust Agreement, under a credit facility in satisfaction of the Borrower's obligations to make payments under the 1988 Trust Agreement (other than drawings or advances under credit facilities ensuring payment of principal of and interest on bonds issued pursuant to the 1988 Trust Agreement), all Additional Revenues (as defined in the 1988 Trust Agreement) and all receipts of the 1988 Trustee, as trustee under the 1988 Trust Agreement, which, under the provisions of the 1988 Trust Agreement, reduce the amount of such payments.

"Principal Project Contracts" means (a) the Construction Agreements, (b) any guarantee of the obligations of a Principal Project Party, and (c) any replacement of the foregoing.

"Principal Project Party" means any Person (other than the Borrower) that is a party to a Principal Project Contract.

"Project" shall mean a new toll road of U.S. 301 from the Maryland State Line to SR 1, comprising of a new U.S. 301 mainline, which is a limited-access highway on a new location with two lanes in each direction that will connect existing U.S. 301 at the Delaware/Maryland line with SR 1, south of the C&D Canal, a distance of 14 miles, including interchanges, related collector-distributor roads, auxiliary lanes, and toll collection facilities.

"Project Accounts" means the Construction Fund, the Debt Service Fund, the Operating Fund, the Rebate Fund, the Repair and Replacement Fund, the Reserve Fund (including the Bond Proceeds Funded Account and the Revenue Funded Account thereunder), the Revenue Fund, the TIFIA Debt Service Fund (including the TIFIA Prepayment Account thereunder) and Toll Stabilization Fund.

"Project Budget" means the budget for the Project in the aggregate amount of $635,893,846 attached to this Agreement as **Schedule I** showing a summary of Total Project Costs, a summary of all Eligible Project Costs with a breakdown of all Eligible Project Costs, and the estimated sources and uses of funds for the Project, as amended from time to time with the approval of the TIFIA Lender.

"Projected Substantial Completion Date" means December 31, 2018, as such date may be adjusted in accordance with Section 22(a)(iii) (*Financial Plan*).

"Put Bonds" means any bond which by its terms may be tendered by and at the option of the holder thereof for payment prior to the stated maturity or redemption date thereof either (a) by the Borrower and by the Person and/or from the source specified in a Supplemental Indenture or (b) without recourse to the Borrower, by the Person and/or from the source specified in a Supplemental Indenture.

"Qualified Hedge" means, to the extent from time-to-time permitted by law, with respect to Senior Obligations or Subordinated Obligations, any Hedging Transaction entered into with a Qualified Hedge Provider and meeting the requirements of Section 16(o) (*Hedging*).

"Qualified Hedge Provider" means any bank or trust company that has an Acceptable Credit Rating, is authorized to engage in the banking business, and is organized under or licensed as a branch or agency under the laws of the United States of America or any state thereof.

"Qualified Issuer" means any bank or trust company that has an Acceptable Credit Rating, is authorized to engage in the banking business, and is organized under or licensed as a branch or agency under the laws of the United States of America or any state thereof.

"Rate Coverage Test" has the meaning set forth in Section 16(l) (*Rate Coverage*).

"Rating Category" means one of the generic rating categories of a Nationally Recognized Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

"Rebate Fund" shall mean the fund created and so designated pursuant to Section 4.7 of the Indenture.

"Reimbursement Agreement" shall mean an agreement between the Borrower and one or more Credit Facility providers pursuant to which, among other things, such providers issue a Credit Facility with respect to Bonds of one or more series and the Borrower agrees to reimburse such Credit Facility providers for any drawings made thereunder, including any security or pledge agreement entered into in connection therewith pursuant to which the Borrower grants the Credit Facility providers a security interest in any collateral to secure its obligations to the Credit Facility providers.

"Reimbursement Obligation" shall mean an obligation of the Borrower pursuant to a Reimbursement Agreement to repay any amounts drawn under a Credit Facility, to pay any interest on such drawn amounts pursuant to such Reimbursement Agreement and to pay any fee to a Credit Facility provider owed pursuant thereto.

"Related Documents" means the TIFIA Loan Documents, the Indenture Documents, the Hedging Agreements (if any), and the Principal Project Contracts.

"Repair and Replacement Fund" means the Repair and Replacement Fund established pursuant to Section 4.5 of the Indenture.

"Requisition" has the meaning provided in Section 4(a) (*Disbursement Conditions*).

"Reserve Accounts" means the Repair and Replacement Fund and the Reserve Fund.

"Reserve Fund" means the Reserve Fund established pursuant to Section 4.4 of the Indenture.

"Reserve Fund Requirement" shall mean with respect to a particular series of Bonds as of a particular date, the lesser of: (a) the Maximum Annual Debt Service for such series of Bonds; (B) 125% of the average Annual Debt Service with respect to the Outstanding Bonds of such series in the then current and all future Borrower Fiscal Years; or (c) ten percent (10%) of the proceeds of such series of Bonds or such other amount equal to the maximum amount of proceeds derived from the sale of such Bonds which may be deposited in the Reserve Fund pursuant to the then applicable provisions of the Code.

"**Revenue Fund**" means the Revenue Fund established pursuant to Section 4.2 of the Indenture.

"**Revenue Funded Account**" means the account created within the Reserve Fund and so designated by Section 4.4 of the Indenture.

"**Revenues**" means (a) all rates, rents, fees, charges, fines, or other income derived by the Borrower from vehicular usage of the Project, and all rights to receive the same, (b) earnings derived from the investment of moneys in the funds and accounts established under the Indenture except the Toll Stabilization Fund and the Rebate Fund established thereunder; (c) liquidated damages or similar payments (net of offsets required or permitted by the applicable agreement) payable under any construction contract, any toll collection or revenue management contract or any operating or maintenance contract relating to the Project; (d) proceeds of revenue interruption insurance maintained by or for the benefit of the Borrower and relating to the Project; (e) net proceeds of eminent domain proceedings and casualty insurance maintained by or for the benefit of the Borrower and relating to the Project; (f) any payments received by the Borrower pursuant to a Hedging Agreement; and (g) such other sources of funds as may be identified as Revenues in a Supplemental Indenture. "Revenues" shall not include (y) the proceeds of any Bonds or other indebtedness issued or incurred by the Borrower, or (z) rebates of premiums received by the Borrower or the Trustee in connection with insurance policies maintained by or for either of them.

"**Revised Financial Model**" means the Base Case Financial Model, as it may be updated from time to time pursuant to Section 22(a)(ii) (*Financial Plan*).

"**Secretary**" means the United States Secretary of Transportation.

"**Secured Obligations**" means the Senior Obligations, the obligations of the Borrower under this Agreement and the TIFIA Bond, any Pari Passu Obligations, the Hedging Obligations, the Hedging Termination Obligations, and any Subordinated Obligations that are secured by the trust estate created pursuant to the Indenture Documents.

"**Secured Parties**" means the Trustee, the TIFIA Lender, the Bondholders and, as applicable, the Hedging Banks and issuers of any Credit Facility.

"**Segment**" means, as applicable, any or all of the following segments of the Project: (a) Segment 1A (SR 896 to SR 1); (b) Segment 1B (US 301 & SR 1 Interchange); (c) Segment 1C (Norfolk Southern RR to SR 896); (d) Segment 1D (US 13 and Port Penn Rd Intersection); (e) Segment 2A (Levels Road to Summit Bridge Rd); (f) Segment 2B (Summit Bridge Road & Armstrong Corner Rd Intersection Improvements); and (g) Segment 3 (Maryland State Line to Levels Rd).

"**Semi-Annual Payment Date**" means each June 1 and December 1.

"**Senior Obligations**" means the Series 2015 Bonds and any Additional Senior Obligations.

"**Series 2015 Bonds**" shall mean the Borrower's $221,350,000 U.S. 301 Project Revenue Bonds, Series of 2015, dated as of the date of settlement thereof and issued under the First Supplemental Indenture of Trust, dated as of December 1, 2015, by and between the Borrower and the Trustee.

"**Series Credit Facility Fund**" shall mean any fund established by a Supplemental Indenture as a fund from which to pay to the applicable bank or banks such amounts as may be required to be paid with respect to the Borrower's Reimbursement Obligations (as defined in the Indenture) to such bank or banks.

"**Servicer**" means such entity or entities as the TIFIA Lender shall designate from time-to-time to perform, or assist the TIFIA Lender in performing, certain duties hereunder.

"**State**" has the meaning provided in the preamble.

"**Subordinated Hedging Termination Obligations**" means Hedging Termination Obligations under any Hedging Agreement, other than those arising as a result of a Permitted Hedging Termination or as a result of a tax or illegality event or upon failure of the Borrower to pay any Hedging Obligations when due.

"**Subordinated Obligations**" means any fully subordinated debt payable in whole or in part with Revenues or other amounts included in the trust estate created under the Indenture Documents, issued on terms and conditions acceptable to the TIFIA Lender.

"**Subsequent Qualified Hedge**" has the meaning provided in Section 16(o)(iii) (*Hedging*).

"**Substantial Completion**" means the opening of the Project to vehicular traffic.

"**Substantial Completion Date**" means the date on which Substantial Completion occurs.

"**Supplemental Agreement No. 27**" means the Supplemental Agreement No. 27 to the 1988 Trust Agreement, dated December 1, 2015, between the Borrower and the 1988 Trustee, pursuant to which, among other things, the Series 2015 Bonds and the TIFIA Bond are granted a subordinate lien on the Pledged TTF Revenues.

"**Supplemental Indenture**" means any trust indenture supplemental to or amendatory of the Indenture, executed and delivered by the Borrower and the Trustee in accordance with Article X of the Indenture and any applicable requirements in this Agreement.

"**Tender Indebtedness**" shall mean any Bond or portion thereof a feature of which is an option, on the part of the Bondholder, or an obligation, under the terms of such Bond, to tender all or a portion of such Bond to the Borrower, the Trustee (and/or any entity appointed by the

Borrower as a paying agent pursuant to Section 9.11 of the Indenture) or other fiduciary or agent for payment or purchase and requiring that such Bond or portion thereof be purchased if properly presented.

"**TIFIA**" has the meaning provided in the recitals.

"**TIFIA Bond**" means the Bond delivered by the Borrower in substantially the form attached hereto as **Exhibit A**.

"**TIFIA Debt Service**" means with respect to any Semi-Annual Payment Date occurring on or after the Debt Service Payment Commencement Date, the principal portion of the Outstanding TIFIA Loan Balance and any interest payable thereon (including interest accruing after the date of any filing by the Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the Borrower), including, in each case, amounts (a) set forth on **Exhibit G-1** and (b) due and payable on such Semi-Annual Payment Date in accordance with the provisions of Section 9(c) (*Payment of TIFIA Debt Service*).

"**TIFIA Debt Service Fund**" shall mean the fund created and so designated by Section 4.9 of the Indenture.

"**TIFIA Interest Rate**" has the meaning provided in Section 6 (*Interest Rate*).

"**TIFIA Lender**" has the meaning provided in the preamble.

"**TIFIA Lender's Authorized Representative**" means the Administrator and any other Person who shall be designated as such pursuant to Section 27 (*TIFIA Lender's Authorized Representative*).

"**TIFIA Loan**" means the secured loan made by the TIFIA Lender to the Borrower on the terms and conditions set forth herein, pursuant to the Act, in a principal amount not to exceed $211,350,000 (excluding capitalized interest), to be used in respect of Eligible Project Costs paid or incurred by or on behalf of the Borrower.

"**TIFIA Loan Documents**" means this Agreement, the TIFIA Bond, the TIFIA Supplemental Indenture, the Indenture and Supplemental Agreement No. 27.

"**TIFIA Prepayment Account**" shall mean the account so designated in the TIFIA Debt Service Fund.

"**TIFIA Supplemental Indenture**" means that certain Second Supplemental Indenture of Trust, dated as of December 1, 2015, between the Borrower and the Trustee, relating to the issuance of the TIFIA Bond.

"**Toll Stabilization Fund**" shall mean the fund created and so designated by Section 4.6 of the Indenture.

"**Tolls**" means all rates, rents, fees, charges, fines, or other income derived by the Borrower from vehicular usage of the Project, and all rights to receive the same.

"**Total Debt Service Coverage Ratio**" means, for any Calculation Period, the ratio of Adjusted Net Toll Revenues for such Calculation Period to the aggregate amount of Annual Debt Service and TIFIA Debt Service for such Calculation Period.

"**Total Project Costs**" means (a) the costs paid or incurred or to be paid or incurred by the Borrower or DelDOT in connection with or incidental to the acquisition, design, construction and equipping of the Project, including legal, administrative, engineering, planning, design, insurance and costs of issuance; (b) amounts, if any, required by the Indenture Documents or the TIFIA Loan Documents to be paid into any fund or account upon the incurrence of the TIFIA Loan or any Senior Obligations; (c) payments when due (whether at the maturity of principal, the due date of interest, or upon optional or mandatory prepayment) during the Construction Period in respect of any indebtedness of the Borrower or any Credit Facility maintained by the Borrower, in each case in connection with the Project (other than the TIFIA Loan); and (d) costs of equipment and supplies and initial working capital and reserves required by the Borrower for the commencement of operation of the Project, including general administrative expenses and overhead of the Borrower.

"**Traffic and Revenue Study**" means the Updated Toll Traffic and Revenues Study, dated May 2015, together with a Supplemental Letter, dated September 9, 2015, prepared by the Traffic Consultant, and any amendments, supplements or updates thereto.

"**Traffic Consultant**" means Jacobs Engineering Group Inc., and any replacement traffic consultant firm selected by the Borrower and not objected to by the TIFIA Lender within fifteen (15) Business Days after receiving notice from the Borrower of the name of the proposed traffic consultant, together with supporting information regarding the qualifications of the proposed traffic consultant.

"**Transportation Trust Fund**" means the Transportation Trust Fund created and designated pursuant to the Transportation Trust Fund Act, constituting Chapter 87, Volume 66 of the laws of the State of Delaware 2 Del. C. Ch. 14.

"**True Interest Cost**" means the rate necessary to discount the cumulative amounts payable on the respective Payment Dates in respect of Annual Debt Service in respect of Senior Obligations to the original purchase price of such Senior Obligations (taking into account discounts, premiums and transaction costs) on the basis of semi-annual compounding of interest.

"**Trust Estate**" means the Pledged Funds and any other rights or property pledged to the Secured Parties under the Indenture.

"**Trustee**" means Wilmington Trust, National Association, a national banking association, which is authorized to exercise corporate trust powers.

"**TSF Minimum Fund Balance**" means the lesser of $35,000,000 or the outstanding balance due under this Agreement, subject to adjustment as provided in Section 16(k)(iii).

"**Uncontrollable Force**" means any cause beyond the control of the Borrower, including: (a) a hurricane, tornado, flood or similar occurrence, landslide, earthquake, fire or other casualty, strike or labor disturbance, freight embargo, act of a public enemy, explosion, war, blockade, terrorist act, insurrection, riot, general arrest or restraint of government and people, civil disturbance or similar occurrence, sabotage, or act of God; (provided, that the Borrower shall not be required to settle any strike or labor disturbance in which it may be involved); or b) the order or judgment of any federal, state or local court, administrative agency or governmental officer or body, if it is not also the result of willful or negligent action or a lack of reasonable diligence of the Borrower and the Borrower does not control the administrative agency or governmental officer or body; provided, that the diligent contest in good faith of any such order or judgment shall not constitute or be construed as a willful or negligent action or a lack of reasonable diligence of the Borrower.

"**Uniform Commercial Code**" or "**UCC**" means the Uniform Commercial Code, as in effect from time to time in the State.

"**USDOT**" means the United States Department of Transportation.

"**Valuation Date**" means (a) with respect to any Capital Appreciation Bonds, the date or dates set forth in the Supplemental Indenture authorizing such Capital Appreciation Bonds on which specific Accreted Amounts are assigned to the Capital Appreciation Bonds and (b) with respect to any Deferred Income Bonds, the date or dates on or prior to the Interest Commencement Date set forth in the Supplemental Indenture authorizing such Deferred Income Bonds on which specific Appreciated Values are assigned to the Deferred Income Bonds.

"**Variable Interest Rate**" means a variable interest rate to be borne by any Permitted Debt. The method of computing such variable interest rate shall be specified in the Supplemental Indenture pursuant to which such Permitted Debt is incurred. Such Supplemental Indenture shall also specify either: (a) the particular period or periods of time for which each value of such variable interest rate shall remain in effect; or (b) the time or times upon which any change in such variable interest rate shall become effective.

"**Variable Interest Rate Bonds**" means Permitted Debt which bears a Variable Interest Rate but does not include any Permitted Debt for which the interest rate has been fixed during the remainder of the term thereof to maturity; provided, however, that Permitted Debt bearing a Variable Interest Rate shall not be deemed Variable Interest Rate Bonds if the Borrower has entered into a Qualified Hedge with respect to such Permitted Debt during the period for which such Qualified Hedge is in effect; provided, further, that Permitted Debt bearing a fixed rate of interest shall be deemed Variable Interest Rate Bonds to the extent that the Borrower has entered into a Qualified Hedge pursuant to which the Borrower is obligated to pay a floating rate of interest and receives a fixed rate of interest and shall be deemed to bear interest at the lesser of (a) the Bank Lending Margin plus the fixed rate on the applicable Qualified Hedge (which shall reflect any premium or margin payable thereon) or (b) the maximum interest rate, if any, payable pursuant to such Qualified Hedge.

"**Variable Interest Rate Senior Obligations**" means any Senior Obligations under the Indenture Documents that accrue interest at a Variable Interest Rate.

SECTION 2. Interpretation. Unless the context shall otherwise require, the words "hereto," "herein," "hereof" and other words of similar import refer to this Agreement as a whole. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and vice versa. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise require. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." Whenever the Borrower's knowledge is implicated in this Agreement or the phrase "to the Borrower's knowledge" or a similar phrase is used in this Agreement, the Borrower's knowledge or such phrase(s) shall be interpreted to mean to the best of the Borrower's knowledge after reasonable and diligent inquiry and investigation. Unless the context shall otherwise require, references to any Person shall be deemed to include such Person's successors and permitted assigns. Unless the context shall otherwise require, references to preambles, recitals, sections, subsections, clauses, schedules, exhibits, appendices and provisions are to the applicable preambles, recitals, sections, subsections, clauses, schedules, exhibits, appendices and provisions of this Agreement. The schedules and exhibits to this Agreement, and the appendices and schedules to such exhibits, are hereby incorporated by reference and made an integral part of this Agreement. The headings or titles of this Agreement and its sections, schedules or exhibits, as well as any table of contents, are for convenience of reference only and shall not define or limit its provisions. Unless the context shall otherwise require, all references to any resolution, contract, agreement, lease or other document shall be deemed to include any amendments or supplements to, or modifications or restatements or replacements of, such documents that are approved from time-to-time in accordance with the terms thereof and hereof. Every request, order, demand, application, appointment, notice, statement, certificate, consent or similar communication or action hereunder by any party shall, unless otherwise specifically provided, be delivered in writing in accordance with Section 37 (*Notices; Payment Instructions*) and signed by a duly authorized representative of such party.

SECTION 3. TIFIA Loan Amount. The principal amount of the TIFIA Loan shall not exceed $211,350,000 (excluding capitalized interest). TIFIA Loan proceeds shall be disbursed from time-to-time in accordance with Section 4 (*Disbursement Conditions*), Section 13(b) (*Conditions Precedent to Initial Disbursement*) (with respect to the initial disbursement) and Section 13(c) (*Conditions Precedent to All Disbursements*).

SECTION 4. Disbursement Conditions.

(a) TIFIA Loan proceeds shall be disbursed solely in respect of Eligible Project Costs paid or incurred by or on behalf of the Borrower in connection with the Project. If the Borrower intends to utilize the TIFIA Loan proceeds to make progress payments for Project construction work performed under the Construction Agreements, the Borrower shall demonstrate to the satisfaction of the TIFIA Lender that such progress payments are commensurate with the value of the work that has been completed. Each disbursement of the TIFIA Loan shall be made pursuant to a requisition and certification (a "**Requisition**") in the form set forth in **Appendix One** to **Exhibit D**, along with all documentation and other information required thereby, submitted by the Borrower to, and approved by, the TIFIA Lender, all in accordance with the procedures of **Exhibit D** and subject to the requirements of this Section 4 and (i) with respect to the initial disbursement, the conditions set forth in Section 13(b) and Section 13(c), and (ii) with respect to each subsequent disbursement, the conditions set forth in Section 13(c); provided, however, that no disbursements of TIFIA Loan proceeds shall be made on or after the date that is one (1) year after the Substantial Completion Date.

(b) The Borrower shall deliver copies of each Requisition to the TIFIA Lender, the FHWA TIFIA Joint Program Office (HITJ), the Servicer (if any) and the FHWA Division Office on or before the first (1^{st}) day of each month for which a disbursement is requested, or the next succeeding Business Day if such first (1^{st}) day is not a Business Day. If the TIFIA Lender shall expressly approve a Requisition or shall not expressly deny a Requisition, disbursements of funds shall be made on the fifteenth (15^{th}) day of the month for which a disbursement has been requested, or on the next succeeding Business Day if such fifteenth (15^{th}) day is not a Business Day. Express TIFIA Lender approval or denial shall be substantially in the form annexed hereto as **Appendix Three** to **Exhibit D**. In no event shall disbursements be made more than once each month. At the time of any disbursement, the sum of all prior disbursements of TIFIA Loan proceeds and the disbursement then to be made shall not exceed the cumulative disbursements through the end of the then-current calendar year set forth in the Anticipated TIFIA Loan Disbursement Schedule, as the same may be amended from time to time in accordance with the terms of this Agreement. Any scheduled disbursement (as reflected in the Anticipated TIFIA Loan Disbursement Schedule) that remain undrawn at the end of any year shall be available for disbursement in subsequent years, subject to Section 4(a)(ii) (*Disbursement Conditions*) above.

(c) The Borrower may amend the Anticipated TIFIA Loan Disbursement Schedule by submitting a revised version of such schedule to the TIFIA Lender no later than thirty (30) days prior to the proposed effective date of such amendment, together with a detailed explanation of the reasons for such revisions. Such revised Anticipated TIFIA Loan Disbursement Schedule shall become effective upon the TIFIA Lender's approval thereof, which approval shall be granted in the TIFIA Lender's sole discretion.

SECTION 5. Term. The term of the TIFIA Loan shall extend from the Effective Date to the Final Maturity Date or to such earlier date as all amounts due or to become due to the TIFIA Lender hereunder have been irrevocably paid in full in cash.

SECTION 6. Interest Rate. The interest rate with respect to the Outstanding TIFIA Loan Balance (the "**TIFIA Interest Rate**") shall be two and ninety-four hundredths percent (2.94%) per annum. Interest will be computed on the Outstanding TIFIA Loan Balance (as well as on any past due interest) from time-to-time on the basis of a 365-day or 366-day year, as appropriate, for the actual number of days elapsed and will be compounded semi-annually; provided, however, in the event of a Payment Default, the Borrower shall pay interest on any overdue amount from (and including) its due date to (and excluding) the date of actual payment at the Default Rate. Upon the occurrence of an Event of Default described in Section 20(a)(iii) (*Development Default*) or Section 20(a)(x) (*Project Abandonment*), the interest rate on the Outstanding TIFIA Loan Balance shall be the Default Rate and shall continue to bear interest at such rate until, (a) with respect to an Event of Default described in Section 20(a)(iii)

(*Development Default*), such Development Default has been cured or (b) with respect to an Event of Default described in Section 20(a)(x) (*Project Abandonment*), the Outstanding TIFIA Loan Balance has been paid in full.

SECTION 7. Outstanding TIFIA Loan Balance; Revisions to Exhibit G-1 and Loan Amortization Schedule. The Outstanding TIFIA Loan Balance will be (a) increased on each occasion on which the TIFIA Lender disburses loan proceeds hereunder, by the amount of such disbursement of loan proceeds, (b) increased on each occasion on which interest on the TIFIA Loan is capitalized pursuant to the provisions of Section 9(b) (*Capitalized Interest Period*), by the amount of interest so capitalized, and (c) decreased upon each payment or prepayment of the Outstanding TIFIA Loan Balance, by the amount of principal so paid. The TIFIA Lender may in its discretion at any time and from time-to-time, or when so requested by the Borrower, advise the Borrower by written notice of the amount of the Outstanding TIFIA Loan Balance as of the date of such notice, and its determination of such amount in any such notice shall be deemed conclusive absent manifest error. Upon any determination of the Outstanding TIFIA Loan Balance (including as of the Debt Service Payment Commencement Date and as of the date of any prepayment of the TIFIA Loan), the TIFIA Lender may, but shall not be obligated to, make applicable revisions to **Exhibit G-1** pursuant to Section 9(h) (*TIFIA Bond; Adjustments to Loan Amortization Schedule*) and in such event shall provide the Borrower with a copy of such **Exhibit G-1** as revised, but no failure to provide or delay in providing the Borrower with such copy shall affect any of the obligations of the Borrower under this Agreement or the other TIFIA Loan Documents. The Loan Amortization Schedule in **Exhibit G-1**, as of the Effective Date, has been determined based on the Anticipated TIFIA Loan Disbursement Schedule in effect on the Effective Date.

SECTION 8. Security and Priority; Flow of Funds.

(a) As security for the TIFIA Loan, the Borrower shall pledge, assign and grant, or shall cause to be pledged, assigned and granted, to the Trustee for the benefit of the TIFIA Lender, (i) Liens on the Trust Estate in accordance with the provisions of the Indenture Documents and (ii) a subordinated Lien on the Pledged TTF Revenues in accordance with the provisions of Supplemental Agreement No. 27. The TIFIA Loan shall be secured by the Liens on the Trust Estate and subordinate, during any period when a Bankruptcy Related Event with respect to the Borrower has not occurred, only (except as otherwise required by law) to the Lien on the Trust Estate of the Senior Obligations, the Hedging Obligations, and the Hedging Termination Obligations (other than Subordinated Hedging Termination Obligations) in respect of Senior Obligations. Upon the occurrence of a Bankruptcy Related Event with respect to the Borrower, the TIFIA Loan shall be secured by a first priority security interest in the Trust Estate pari passu with the Senior Obligations, the Hedging Obligations and the Hedging Termination Obligations (other than Subordinated Hedging Termination Obligations) in respect of such Senior Obligations.

(b) Except (i) for Permitted Liens, or (ii) to the extent otherwise provided in Section 8(a), the Trust Estate will be free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge of the Borrower created under the Indenture Documents, and all organizational, regulatory or other necessary action on the part of the Borrower with respect to granting such Lien has been duly and validly taken.

(c) The Borrower shall not use Revenues to make any payments or satisfy any obligations other than in accordance with the provisions of this Section 8 and the Indenture Documents and shall not apply any portion of the Revenues in contravention of this Agreement or the Indenture Documents.

(d) All Revenues shall be deposited in the Revenue Fund and applied in the order of priority set forth in **Exhibit M**, and in accordance with the requirements specified in Section 4.2 of the Indenture.

SECTION 9. Payment of Principal and Interest.

(a) Payment Dates. The Borrower agrees to pay the principal of and interest on the TIFIA Loan by making payments in accordance with the provisions of this Agreement and the Indenture Documents on each Semi-Annual Payment Date, beginning on the Debt Service Payment Commencement Date, and on each other date on which payment thereof is required to be made hereunder (including the Final Maturity Date and any other date on which payment is due by reason of acceleration of the maturity of the TIFIA Loan or otherwise); provided, that if any such date is not a Business Day, payment shall be made on the next Business Day following such date. Any payment in respect of the TIFIA Bond shall be treated as a payment in respect of the TIFIA Loan and any prepayment of principal in respect of the TIFIA Loan shall be treated as redemption in respect of the TIFIA Bond.

(b) Capitalized Interest Period. No payment of the principal of or interest on the TIFIA Loan is required to be made during the Capitalized Interest Period. On each June 1 and December 1 occurring during the Capitalized Interest Period, interest accrued on the TIFIA Loan in the six (6) month period ending immediately prior to such date shall be capitalized and added to the Outstanding TIFIA Loan Balance. Within thirty (30) days after the end of the Capitalized Interest Period, the TIFIA Lender shall give written notice to the Borrower stating the Outstanding TIFIA Loan Balance as of the close of business on the last day of the Capitalized Interest Period, which statement thereof shall be deemed conclusive absent manifest error; provided, however, that no failure to give or delay in giving such notice shall affect any of the obligations of the Borrower hereunder or under any of the other TIFIA Loan Documents.

(c) Payment of TIFIA Debt Service. On each Semi-Annual Payment Date occurring on or after the Debt Service Payment Commencement Date the Borrower shall pay TIFIA Debt Service in the amounts set forth in respect of such Semi-Annual Payment Date on **Exhibit G-1**, as the same may be revised as provided in Section 7 (*Outstanding TIFIA Loan Balance; Revisions to Exhibit G-1 and Loan Amortization Schedule*), which payments shall be made in accordance with Section 9(f) (*Manner of Payment*).

(d) [Reserved].

(e) Accrual of Amounts on Interim Payment Dates.

(i) If any Senior Obligations, Pari Passu Obligations or Subordinated Obligations require the payment of principal or interest on any Interim Payment Date after the Debt Service Payment Commencement Date, the Borrower shall promptly notify the Servicer (if any) and the TIFIA Lender thereof in writing, identifying the period covered by such Interim Payment Period and the Interim Payment Date.

(ii) On any such Interim Payment Date during the period on and after the Debt Service Payment Commencement Date, the Borrower shall transfer or otherwise deposit, or cause to be transferred or otherwise deposited, into the TIFIA Debt Service Fund an amount equal to the amount of TIFIA Debt Service due and payable on the next succeeding Semi-Annual Payment Date (as shown on **Exhibit G-1**, as the same may be revised as provided in Section 7 (*Outstanding TIFIA Loan Balance; Revisions to Exhibit G-1 and Loan Amortization Schedule*) and Section 9(h) (*TIFIA Bond; Adjustments to Loan Amortization Schedule*) multiplied by a fraction, the numerator of which is equal to the number of months contained in the Interim Payment Period ending on such Interim Payment Date and the denominator of which is equal to six (6).

(iii) In the event that an Interim Payment Date is other than the first Business Day of a calendar month, the method for calculating any amount required to be transferred or deposited into the TIFIA Debt Service Fund pursuant to this Section 9(e) (*Accrual of Amounts on Interim Payment Dates*) shall be determined at such time by the parties hereto.

(f) Manner of Payment. Payments under this Agreement and the TIFIA Bond shall be made by wire transfer, on or before each Semi-Annual Payment Date, in immediately available funds in accordance with payment instructions provided by the TIFIA Lender pursuant to Section 37 (*Notices; Payment Instructions*), as modified in writing from time-to-time by the TIFIA Lender. The Borrower may make any such payment or portion thereof (or direct the Trustee in writing to make such payment) with funds then on deposit in the TIFIA Debt Service Fund.

(g) Final Maturity Date. Notwithstanding anything herein to the contrary, the Outstanding TIFIA Loan Balance and any accrued interest thereon shall be due and payable in full on the Final Maturity Date (or on any earlier date on which the maturity of the TIFIA Loan shall be accelerated, but only to the extent that Senior Obligations, Pari Passu Obligations, or indebtedness of the Borrower issued under the Indenture that is subordinate to the TIFIA Loan are accelerated).

(h) TIFIA Bond; Adjustments to Loan Amortization Schedule. As evidence of the Borrower's obligation to repay the TIFIA Loan, the Borrower shall issue and deliver to the TIFIA Lender, on or prior to the Effective Date, the TIFIA Bond substantially in the form of **Exhibit A**, having a maximum principal amount (excluding capitalized interest) of $211,350,000 (subject to increase or decrease as herein provided) and bearing interest at the rate set forth in Section 6 (*Interest Rate*). The TIFIA Lender is hereby authorized to modify the Loan Amortization Schedule included in **Exhibit G-1** from time-to-time as provided in Section 7 (*Outstanding TIFIA Loan Balance; Revisions to Exhibit G-1 and Loan Amortization Schedule*) to reflect (A) the amount of each disbursement made under this Agreement, (B) the date and amount of any principal or interest due and payable or to become due and payable by the Borrower under this Agreement, (C) each repayment or prepayment in respect of the principal amount of the TIFIA Loan, and (D) such other information as the TIFIA Lender may determine is necessary for administering the TIFIA Loan and this Agreement. Any calculations described above shall be rounded up to the nearest whole cent. Any partial prepayments of the Outstanding TIFIA Loan Balance pursuant to Section 10 (*Prepayment*) shall be applied to reduce future payments due on the TIFIA Bond in inverse order of maturity. Any adjustments or revisions to the Loan Amortization Schedule as a result of changes in the Outstanding TIFIA Loan Balance other than prepayments will be applied on a pro rata basis to future installments of TIFIA Debt Service. Absent manifest error, the TIFIA Lender's determination of such matters as set forth on **Exhibit G-1** shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under any other TIFIA Loan Document.

SECTION 10. Prepayment.

(a) Mandatory Prepayments. The Borrower shall prepay the TIFIA Loan in whole or in part, without penalty or premium:

(i) on each June 1 on or after the Debt Service Payment Commencement Date, all amounts on deposit in the TIFIA Prepayment Account on such date, as provided in Section 16(k)(iii) (*Project Accounts*) and Section 4.6(e) of the Indenture; and

(ii) any Net Loss Proceeds available for prepayment after application of loss proceeds in accordance with Section 5.7 of the Indenture.

The Borrower shall provide written notice to the TIFIA Lender at least two (2) Business Days prior to the date on which it makes any mandatory prepayment; provided, that the Borrower's failure to deliver such notice shall not diminish, impair or otherwise affect the Borrower's obligation to make any such mandatory prepayment as and when the circumstances requiring such mandatory prepayment have occurred. Each prepayment pursuant to this Section 10(a) shall be accompanied by a certificate signed by the Borrower's Authorized Representative identifying the provision of this Agreement pursuant to which such prepayment is being made and containing a calculation in reasonable detail of the amount of such prepayment. An illustrative schedule of prepayments under Section 10(a)(i), based on the Base Case Financial Model, is set forth in **Exhibit G-2**; provided, that **Exhibit G-2** is intended for informational purposes only and does not necessarily reflect the actual amounts to be prepaid under Section 10(a), which actual amounts will be determined in accordance with Section 16(k)(iii) (*Project Accounts*) and Section 4.6(e) of the Indenture.

(b) Optional Prepayments. The Borrower may prepay the TIFIA Loan in whole or in part (and, if in part, the amounts thereof to be prepaid shall be determined by the Borrower; provided, however, that such prepayments shall be in principal amounts of $1,000,000, or any integral multiple of $1.00 in excess thereof), at any time or from time-to-time, without penalty or premium, by paying to the TIFIA Lender such principal amount of the TIFIA Loan to be prepaid,

together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment. Each prepayment of the TIFIA Loan shall be made on such date and in such principal amount as shall be specified by the Borrower in a written notice delivered to the TIFIA Lender. In the case of any optional prepayment, unless otherwise agreed by the TIFIA Lender, such written notice shall be delivered to the TIFIA Lender not less than ten (10) days or more than thirty (30) days prior to the date set for prepayment. At any time between delivery of such written notice and the applicable optional prepayment, the Borrower may, without penalty or premium, rescind its announced optional prepayment by further written notice to the TIFIA Lender. Anything in this Section 10(b) to the contrary notwithstanding, the failure by the Borrower to make any optional prepayment shall not constitute a breach or default under this Agreement.

(c) General Prepayment Instructions. Upon the TIFIA Lender's receipt of confirmation that payment in full of the entire Outstanding TIFIA Loan Balance and any unpaid interest and fees with respect thereto has occurred as a result of a mandatory or optional prepayment, the TIFIA Lender shall surrender the TIFIA Bond to the Borrower or its representative at the principal office of the TIFIA Lender. If the Borrower prepays only part of the unpaid balance of principal of such TIFIA Bond, the TIFIA Lender may make a notation on **Exhibit G-1** indicating the amount of principal of and interest on such TIFIA Bond then being prepaid. Absent manifest error, the TIFIA Lender's determination of such matters as set forth on **Exhibit G-1** shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under any other TIFIA Loan Document. All such partial prepayments of principal shall be applied to reduce future payments due on the TIFIA Bond in inverse order of maturity. If said monies shall not have been so paid on the prepayment date, such principal amount of such TIFIA Bond shall continue to bear interest until payment thereof at the TIFIA Interest Rate, in the case of any optional prepayment, and at the Default Rate, in the case of any mandatory prepayment.

SECTION 11. [Reserved].

SECTION 12. Compliance with Laws. The Borrower shall, and shall require its contractors and subcontractors for the Project at all tiers to, comply in all material respects with all applicable federal and state laws. The list of federal laws attached as **Exhibit E** is illustrative of the type of requirements generally applicable to transportation projects and is not intended to be exhaustive. The FHWA Division Office has oversight responsibility for the Project, including ensuring compliance in all material respects with all applicable provisions of federal law. Pursuant to the FHWA Oversight Agreement, DelDOT may be responsible for certain Project oversight activities. The Borrower acknowledges receipt of the FHWA Oversight Agreement and hereby agrees to cooperate with the FHWA Division Office and DelDOT in carrying out their respective duties under the FHWA Oversight Agreement. The Borrower acknowledges and agrees that any costs incurred in connection with the Project prior to receipt of all necessary authorizations from the USDOT in respect of such costs (which may include approvals of prior-incurred costs) are incurred solely at the Borrower's risk and expense and will not constitute Eligible Project Costs and no TIFIA Loan proceeds will be disbursed in respect thereof.

SECTION 13. Conditions Precedent.

(a) Conditions Precedent to Effectiveness. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not become effective until each of the following conditions precedent shall have been satisfied or waived in writing by the TIFIA Lender:

(i) The Borrower shall have duly executed and delivered to the TIFIA Lender this Agreement and the TIFIA Bond, each in form and substance satisfactory to the TIFIA Lender.

(ii) The Borrower shall have delivered to the TIFIA Lender certified, complete, and fully executed copies of each of the Indenture Documents and each such agreement shall be in full force and effect and in form and substance satisfactory to the TIFIA Lender.

(iii) Counsel to the Borrower shall have rendered to the TIFIA Lender legal opinions satisfactory to the TIFIA Lender in its sole discretion (including those opinions set forth in **Exhibit H-1**) and bond counsel to the Borrower shall have rendered to the TIFIA Lender legal opinions satisfactory to the TIFIA Lender in its sole discretion (including those opinions set forth in **Exhibit H-2**). Bond counsel shall have also delivered a copy of its legal opinion addressed to the 1988 Trustee in respect of Supplemental Agreement No. 27.

(iv) The Borrower shall have provided a certificate from the Borrower's Authorized Representative as to the absence of debarment, suspension or voluntary exclusion from participation in Government contracts, procurement and non-procurement matters substantially in the form attached hereto as **Exhibit C** with respect to the Borrower and its principals (as defined in 2 C.F.R. § 180.995).

(v) The Borrower shall have provided to the TIFIA Lender satisfactory evidence that the Project has been included in (A) the metropolitan transportation improvement program adopted by the federally designated metropolitan planning organization for the region, (B) the State transportation plan, and (C) the State transportation improvement program approved by the USDOT or its designated agency, in each case to the extent required by 23 U.S.C. §§ 134 and 135, and 23 U.S.C. § 602(a)(3), as applicable; and the financial plan for each such program or plan shall reflect the amount of the TIFIA Loan and all other federal funds to be used for the Project as sources of funding for the Project.

(vi) The Borrower shall have provided evidence to the TIFIA Lender's satisfaction, no more than thirty (30), but no less than fourteen (14), days prior to the Effective Date, of the assignment by at least two (2) Nationally Recognized Rating Agencies of an Investment Grade Rating to the Series 2015 Bonds and a public rating on the TIFIA Loan and no such rating has been reduced, withdrawn or suspended as of the Effective Date.

(vii) The Borrower shall have delivered to the TIFIA Lender a certificate from the Borrower's Authorized Representative in the form attached hereto as **Exhibit K** (A) as to the satisfaction of certain conditions precedent set forth in this Section 13(a) as required by the

TIFIA Lender, (B) designating the Borrower's Authorized Representative, and (C) confirming such person's position and incumbency.

(viii) The Borrower shall have demonstrated to the TIFIA Lender's satisfaction that as of the Effective Date the aggregate of all committed sources of funds shown in the Base Case Financial Model and in the Project Budget to pay Total Project Costs have been fully and completely committed and allocated to the Borrower by the providers thereof and that such funds shall be sufficient to pay all Total Project Costs necessary to achieve Substantial Completion.

(ix) The Borrower shall have delivered to the TIFIA Lender an original fully executed counterpart (or a certified copy) of the Traffic and Revenue Study in form and substance acceptable to the TIFIA Lender, accompanied by a letter from the preparer of such study, dated as of November 20, 2015, and certifying that the assumptions and projections contained in the Traffic and Revenue Study are reasonable.

(x) The Borrower shall have provided to the TIFIA Lender certified, complete, and fully executed copies of each Principal Project Contract that has been entered into on or prior to the Effective Date, together with any amendments, waivers or modifications thereto, in each case that has been entered into on or prior to the Effective Date and each such agreement shall be in full force and effect and in form and substance satisfactory to the TIFIA Lender.

(xi) The Borrower shall have demonstrated to the TIFIA Lender's satisfaction that (A) the Borrower has obtained all Governmental Approvals necessary to commence construction of the Project, (B) the Borrower has obtained all Governmental Approvals necessary to enter into and borrow amounts under this Agreement and to issue the Series 2015 Bonds, and (C) each Governmental Approval described in clause (A) or (B) above is final, non-appealable, and in full force and effect (and are not subject to any notice of violation, breach, or revocation).

(xii) The Borrower shall have delivered to the TIFIA Lender a certified Base Case Financial Model on or prior to the Effective Date, which Base Case Financial Model shall (A) demonstrate that projected Adjusted Net Toll Revenues are sufficient to meet the Loan Amortization Schedule, (B) demonstrate a Total Debt Service Coverage Ratio for each Calculation Period through the Final Maturity Date that is not less than 1.20, (C) not reflect (1) the commencement of amortization of the principal amount of any Senior Obligations until on or after the Debt Service Payment Commencement Date, (2) the payment of any interest on any Pari Passu Obligations or Subordinated Obligations until on or after the Debt Service Payment Commencement Date, or (3) the commencement of amortization of the principal amount of any Pari Passu Obligations or Subordinated Obligations until on or after the commencement of the amortization of the principal amount of the TIFIA Loan, and (D) otherwise be in form and substance acceptable to the TIFIA Lender.

(xiii) The Borrower shall have (A) provided evidence satisfactory to the TIFIA Lender that the Borrower is authorized, pursuant to the Transportation Trust Fund Act, constituting Chapter 87, Volume 66 of the Laws of the State of Delaware, 2 Del. C. Ch. 14, as amended, the Delaware Transportation Authority Act, constituting Chapter 164, Volume 62 of the Laws of the State of Delaware, 2 Del. C. Ch. 13, as amended, together with Chapter 78, Volume 80 of the laws of the State of Delaware (Senate Bill 160), to pledge, assign, and grant the Liens on the Trust Estate and the Pledged TTF Revenues purported to be pledged, assigned, and granted pursuant to the Indenture Documents, without the need for notice to any Person, physical delivery, recordation, filing or further act, (B) recorded or filed, or caused to be recorded or filed, for record in such manner and in such places as are required all documents and instruments, and taken or caused to be taken all other actions, as are necessary or desirable to establish and enforce the Trustee's Lien in and to the Trust Estate and the 1988 Trustee's Lien on the Pledged TTF Revenues (for the benefit of the Secured Parties) to the extent contemplated by the Indenture Documents, and (C) paid, or caused to be paid, all taxes and filing fees that are due and payable in connection with the execution, delivery or recordation of any Indenture Documents or any instruments, certificates or financing statements in connection with the foregoing.

(xiv) The Borrower shall have paid in full all invoices delivered by the TIFIA Lender to the Borrower as of the Effective Date for the reasonable fees and expenses of the TIFIA Lender's counsel and financial advisors and any auditors or other consultants employed by the TIFIA Lender for the purposes hereof (such reasonableness to be determined in accordance with subpart 31.201-3 of the Federal Acquisition Regulation).

(xv) The Borrower shall have (A) provided evidence satisfactory to the TIFIA Lender of compliance with NEPA and (B) complied with all applicable requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601 *et seq.)* and Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*) and shall have provided evidence satisfactory to the TIFIA Lender of such compliance upon request by the TIFIA Lender.

(xvi) The TIFIA Lender shall have delivered its initial TIFIA Lender's Authorized Representative certificate.

(xvii) The Borrower shall have (A) obtained a Federal Employer Identification Number, (B) obtained a Data Universal Numbering System number, and (C) registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov).

(xviii) The Borrower shall have delivered to the TIFIA Lender (A) evidence (1) that the Borrower or DelDOT has obtained insurance with respect to the Project and the operations of the Borrower, as applicable, that meets the requirements of Section 16(f) (*Insurance*) and (2) that each liability policy (other than workers' compensation insurance) reflects the TIFIA Lender as an additional insured and (B) at the TIFIA Lender's request, copies of such insurance policies.

(xix) The Borrower shall have provided to the TIFIA Lender evidence that the Borrower is duly organized and validly existing under the Constitution and laws of the State, as the same may be amended and supplemented from time to time, with full power, authority and

legal right to own its properties and carry on its business and governmental functions as now conducted, including the following documents, each certified by the Borrower's Authorized Representative: (A) a copy of its Organizational Documents, as in effect on the Effective Date (and certified by the Secretary of State of the State, to the extent applicable), which Organizational Documents shall be in full force and effect and shall not have been amended since the date of the last amendment thereto shown on the certificate; (B) a copy of all resolutions authorizing the Borrower to execute and deliver, and to perform its obligations under, each of the TIFIA Loan Documents, which resolutions shall not have been modified, rescinded or amended, and are in full force and effect in the form adopted, and are the only resolutions of the Borrower relating to the matters described therein, and (C) a copy of such further instruments and documents as are necessary, appropriate or advisable to effectuate the foregoing resolutions and to consummate and implement the transactions contemplated by such resolutions and the TIFIA Loan Documents.

(xx) The Borrower shall have provided the TIFIA Lender records of the Eligible Project Costs incurred prior to the Effective Date, in form and substance satisfactory to the TIFIA Lender and in sufficient time prior to the Effective Date to permit the TIFIA Lender and the FHWA Division Office to review such costs.

(xxi) The Borrower shall have provided to the TIFIA Lender certified, complete and fully executed copies of each performance security instrument delivered to or by the Borrower or DelDOT as of the Effective Date pursuant to any Principal Project Contract, each of which performance security instruments shall be (A) in compliance with the requirements for such performance security pursuant to the applicable Principal Project Contract and (B) in full force and effect.

(xxii) The representations and warranties of the Borrower set forth in this Agreement (including Section 14 (*Representations and Warranties of Borrower*)) and in each other Related Document shall be true and correct, as of the Effective Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

(xxiii) The Borrower shall have provided the TIFIA Lender with evidence satisfactory to the TIFIA Lender that, as of the Effective Date (A) the maximum principal amount of the TIFIA Loan (excluding any interest that is capitalized in accordance with the terms hereof), together with the amount of any other credit assistance provided under the Act to the Borrower, does not exceed thirty-three percent (33%) of reasonably anticipated Eligible Project Costs and (B) as required pursuant to Section 603(b)(9) of the Act, the total federal assistance provided to the Project, including the maximum principal amount of the TIFIA Loan (excluding any interest that is capitalized in accordance with the terms hereof), does not exceed eighty percent (80%) of Eligible Project Costs.

(xxiv) The Borrower shall have delivered to the TIFIA Lender a duly executed certificate from the Trustee in the form attached hereto as **Exhibit J**.

(xxv) The Borrower shall have delivered such other agreements, documents, instruments, opinions and other items required by the TIFIA Lender, all in form and substance satisfactory to the TIFIA Lender, including evidence that all other Project funding requirements have been met (including evidence of other funding sources or funding commitments and evidence of the closing of the Series 2015 Bonds).

(b) Conditions Precedent to Initial Disbursement. Notwithstanding anything in this Agreement to the contrary, the TIFIA Lender shall have no obligation to make the initial disbursement of loan proceeds to the Borrower until each of the following conditions precedent has been satisfied or waived in writing by the TIFIA Lender:

(i) To the extent not previously delivered pursuant to Section 13(a)(ii), the Borrower shall have delivered to the TIFIA Lender certified, complete, and fully executed copies of each of the Indenture Documents (including all documents in connection with the Series 2015 Bonds), in each case together with any amendments, waivers or modifications thereto, and each such agreement shall be in full force and effect and in form and substance satisfactory to the TIFIA Lender, and all conditions contained in such documents to the closing of the transactions contemplated thereby shall have been fulfilled or effectively waived (provided, that, for purposes of this Section 13(b), any such waiver shall be subject to the TIFIA Lender's consent in its sole discretion).

(ii) The Borrower shall have demonstrated to the TIFIA Lender's satisfaction that as of the date of the initial disbursement under the TIFIA Loan (A) the Series 2015 Bonds have been issued and the Borrower has deposited the proceeds thereof into the Construction Fund, (B) the aggregate amount of all indebtedness under the Indenture in connection with the Project, as shown in the Base Case Financial Model and in the Project Budget to pay Total Project Costs, has been issued and fully and completely funded and deposited to the appropriate account within the Construction Fund and (C) such funds are expected to be sufficient to pay all Total Project Costs needed to achieve Substantial Completion.

(iii) The Borrower shall have provided to the TIFIA Lender certified, complete, and fully executed copies of all of the Construction Agreements (together with all exhibits, schedules and attachments) to be entered into for each Segment of the Project (other than the Construction Agreements for landscaping services and for toll infrastructure facilities, to the extent not entered into as of the date of the initial disbursement of the TIFIA Loan) and each such agreement, shall be in full force and effect.

(c) Conditions Precedent to All Disbursements. Notwithstanding anything in this Agreement to the contrary, the TIFIA Lender shall have no obligation to make any disbursement of loan proceeds to the Borrower (including the initial disbursement hereunder) until each of the following conditions precedent has been satisfied or waived in writing by the TIFIA Lender:

(i) With respect to any disbursement occurring sixty (60) days or more after the Effective Date, the Borrower shall have provided the Financial Plan, or the most recent update thereto, in each case in accordance with Section 22(a) (*Financial Plan*), which Financial

Plan (or update thereto) reflects that amortization of the principal amount of any Senior Obligations does not commence before the Debt Service Payment Commencement Date.

(ii) To the extent not previously delivered to the TIFIA Lender, the Borrower shall have delivered to the TIFIA Lender certified, complete and fully executed copies of any Indenture Documents entered into after the Effective Date.

(iii) To the extent not previously delivered to the TIFIA Lender, the Borrower shall have provided certified copies of all Principal Project Contracts and copies of all Additional Project Contracts requested by the TIFIA Lender pursuant to Section 16(b) (*Copies of Documents*) or Section 17(e) (*Additional Project Contracts*) (including, in each case, any amendment, modification or supplement thereto) entered into after the Effective Date and on or prior to the date of the requested disbursement.

(iv) The Borrower shall have demonstrated to the TIFIA Lender's satisfaction that all Governmental Approvals necessary as of the time of the applicable disbursement for the development, construction, operation and maintenance of the Project have been issued and are in full force and effect.

(v) The Borrower is in compliance with Section 16(f) (*Insurance*), each of the insurance policies and self-insurance arrangements maintained by the Borrower or DelDOT and each of the insurance policies obtained by each Construction Contractor under its respective Construction Agreement in place as of the date of the requested disbursement is in full force and effect, and no notice of termination thereof has been issued by the applicable insurance provider. With respect to each Construction Agreement in effect as of the date of such disbursement, each applicable Construction Agreement is in compliance with the insurance requirements set forth in such Construction Agreement.

(vi) At the time of, and immediately after giving effect to, any disbursement of TIFIA Loan proceeds then currently requested, (A) no Event of Default hereunder or event of default under any other Related Document and (B) no event that with the giving of notice or the passage of time or both would constitute an Event of Default hereunder or event of default under any Related Document, in each case, shall have occurred and be continuing.

(vii) To the extent necessary to make the corresponding representations and warranties true, correct and complete as of the date of any disbursement of loan proceeds hereunder, the Borrower shall have delivered an updated version of **Schedule 14(u)**, in form and substance satisfactory to the TIFIA Lender in its sole discretion.

(viii) The representations and warranties of the Borrower set forth in this Agreement (including Section 14 (*Representations and Warranties of Borrower*) and in each other Related Document shall be true, correct and complete as of each date on which any disbursement of the TIFIA Loan is made, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

(ix) No Material Adverse Effect, or any event or condition that could reasonably be expected to result in a Material Adverse Effect, shall have occurred since the date the Borrower submitted the Application to the TIFIA Lender.

(x) The Borrower shall have delivered to the TIFIA Lender a Requisition that complies with the provisions of Section 4 (*Disbursement Conditions*), and the TIFIA Lender shall have approved (or deemed to have approved in accordance with Section 4(b) (*Disbursement Conditions*)) such Requisition.

(xi) The Borrower shall have paid in full all invoices received from the TIFIA Lender as of the date of disbursement of the TIFIA Loan, for the reasonable fees and expenses of the TIFIA Lender's counsel and financial advisors and any auditors or other consultants employed by the TIFIA Lender for the purposes hereof.

(xii) To the extent not previously delivered to the TIFIA Lender, the Borrower shall have provided to the TIFIA Lender each of the following, in each case to the extent entered into after the Effective Date and on or prior to the date of the requested disbursement: (A) certified, complete and fully executed copies of each performance security instrument delivered pursuant to any Principal Project Contract as of the date of disbursement of the TIFIA Loan, each of which performance security instruments shall be in compliance with the requirements for such performance security pursuant to the applicable Principal Project Contract and (B) evidence to the TIFIA Lender's satisfaction that each such instrument is in full force and effect.

SECTION 14. Representations and Warranties of Borrower. The Borrower hereby makes the following representations and warranties as of the Effective Date and, as to each of the representations and warranties below other than those contained in clauses (b) and (l) of this Section 14, as of each date on which any disbursement of the TIFIA Loan is requested or made.

(a) Organization; Power and Authority. The Borrower is a public instrumentality and body corporate and politic of the State, duly organized, validly existing and in good standing under the laws of the State, has full legal right, power and authority to enter into the Related Documents then in existence, to execute and deliver the TIFIA Bond, and to carry out and consummate all transactions contemplated hereby and thereby and has duly authorized the execution, delivery and performance of the Related Documents.

(b) Officers' Authorization. As of the Effective Date, the officers of the Borrower executing (or that previously executed) the Related Documents, and any certifications or instruments related thereto, to which the Borrower is a party are (or were at the time of such execution) duly and properly in office and fully authorized to execute the same.

(c) Due Execution; Enforceability. Each of the Related Documents in effect as of any date on which this representation and warranty is made, and to which the Borrower is a party, has been duly authorized, executed and delivered by the Borrower and constitutes the legal, valid and binding agreement of the Borrower enforceable in accordance with its terms, except as such enforceability (i) may be limited by applicable bankruptcy, insolvency,

reorganization, moratorium or similar laws affecting the rights of creditors generally, and (ii) is subject to general principles of equity (regardless of whether enforceability is considered in equity or at law).

(d) Non-Contravention. The execution and delivery of the Related Documents to which the Borrower is a party, the consummation of the transactions contemplated in the Related Documents and the fulfillment of or compliance with the terms and conditions of the Related Documents will not (i) conflict with the Borrower's Organizational Documents, including any statutory or other restrictions on indebtedness of the Borrower (including 29 Del. Code Ann. § 7422), (ii) conflict in any material respect with, or constitute a violation, breach or default (whether immediately or after notice or the passage of time or both) by the Borrower of or under, any applicable law, administrative rule or regulation, or any applicable court or administrative decree or order, (iii) conflict in any material respect with, or constitute a violation, breach or default (whether immediately or after notice or the passage of time or both) by the Borrower of or under any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties or assets are otherwise subject or bound, or (iv) result in the creation or imposition of any Lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower other than Permitted Liens.

(e) Consents and Approvals. No consent or approval of any trustee, holder of any indebtedness of the Borrower or any other Person, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with (i) the execution and delivery by the Borrower of the Related Documents, except as have been obtained or made and as are in full force and effect, or (ii) (A) the consummation of any transaction contemplated by the Related Documents or (B) the fulfillment of or compliance by the Borrower with the terms and conditions of the Related Documents, except as have been obtained or made and as are in full force and effect or as are ministerial in nature and can reasonably be expected to be obtained or made in the ordinary course on commercially reasonable terms and conditions when needed.

(f) Litigation. As of the Effective Date, except as set forth in **Schedule 14(f)**, there is no action, suit, proceeding or, to the knowledge of the Borrower, any inquiry or investigation, in any case before or by any court or other Governmental Authority pending or, to the knowledge of the Borrower, threatened against or affecting all or any portion of the Project or the Transportation Trust Fund, or the ability of the Borrower to execute, deliver and perform its obligations under the Related Documents. As of the Effective Date and as of each other date on which the representations and warranties herein are made or confirmed, there is no action, suit, proceeding or, to the knowledge of the Borrower, any inquiry or investigation before or by any court or other Governmental Authority pending, or to the knowledge of the Borrower, threatened against or affecting the Project, the Borrower or the assets, properties or operations of the Borrower, that in any case could reasonably be expected to result in a Material Adverse Effect. To the Borrower's knowledge, there are no actions of the type described above pending or, threatened against or affecting any of the Principal Project Parties, except for matters arising after the Effective Date that (i) could not reasonably be expected to result in a Material Adverse Effect or (ii) could not reasonably be expected to adversely affect the Borrower's ability to receive Revenues in amounts sufficient to meet the financial projections contained in the Base Case Financial Model (or any Revised Financial Model, to the extent any Revised Financial Model has been approved by the TIFIA Lender). The Borrower is not in default (and no event has occurred and is continuing that, with the giving of notice or the passage of time or both, could constitute a default) with respect to any Governmental Approval, which default could reasonably be expected to result in a Material Adverse Effect.

(g) Security Interests. The Indenture Documents, the Transportation Trust Fund Act, constituting Chapter 87, Volume 66 of the Laws of the State of Delaware, 2 Del. C. Ch. 14, as amended, the Delaware Transportation Authority Act, constituting Chapter 164, Volume 62 of the Laws of the State of Delaware, 2 Del. C. Ch. 13, as amended, together with Chapter 78, Volume 80 of the laws of the State of Delaware (Senate Bill 160), establish, in favor of the Trustee for the benefit of the Secured Parties, the valid and binding Liens on the Trust Estate and the Pledged TTF Revenues that they purport to create, irrespective of whether any party has notice of the pledge and without the need for any physical delivery, recordation, filing or further act. Such Liens are in full force and effect and, subject to Section 8(a) (*Security and Priority; Flow of Funds*), are not subordinate or junior to any other Liens in respect of the Trust Estate except for the Permitted Liens associated with Senior Obligations, and not *pari passu* with any obligations other than Pari Passu Obligations. The Borrower has duly and lawfully taken all actions required under this Agreement, the Indenture Documents and applicable laws for the pledge of the Trust Estate and the Pledged TTF Revenues pursuant to and in accordance with the applicable Indenture Documents. The Borrower is not in breach of any covenants set forth in Section 16(a) (*Securing Liens*) of this Agreement or in the Indenture Documents with respect to the matters described in Section 16(a) (*Securing Liens*). As of the Effective Date and as of each other date this representation and warranty is made, (i) all documents and instruments have been recorded or filed for record in such manner and in such places as are required and all other action as is necessary or desirable has been taken to establish a legal, valid, binding and enforceable Lien on the Trust Estate and the Pledged TTF Revenues in favor of the Trustee for the benefit of the Secured Parties to the extent contemplated by the Indenture Documents, and (ii) all taxes and filing fees that are due and payable in connection with the execution, delivery or recordation of any Indenture Documents or any instruments, certificates or financing statements in connection with the foregoing, have been paid. Neither the attachment, perfection, validity, enforceability or priority of the security interest in the Trust Estate or the Pledged TTF Revenues granted pursuant to the Indenture Documents is governed by Article 9 of the UCC.

(h) No Debarment. The Borrower has fully complied with its verification obligations under 2 C.F.R. § 180.320 and confirms, based on such verification, that, to its knowledge, neither the Borrower nor any of its principals (as defined in 2 C.F.R. § 180.995) is debarred, suspended or voluntarily excluded from participation in Government contracts, procurement or non-procurement matters or delinquent on a Government debt, as more fully set forth in the certificate delivered pursuant to Section 13(a)(iv).

(i) Accuracy of Representations and Warranties. The representations, warranties and certifications of the Borrower set forth in this Agreement and the other Related Documents are true, correct and complete, except to the extent such representations and warranties expressly

relate to an earlier date (in which case, such representations and warranties shall be true, correct and complete as of such earlier date).

(j) Compliance with Federal Requirements. The Borrower has complied, with respect to the Project, with all applicable requirements of NEPA, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601 *et seq.*), and Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*).

(k) Transportation Improvement Program. The Project has been included in (i) the metropolitan transportation improvement program adopted by the federally designated metropolitan planning organization for the region, (ii) the State transportation plan, and (iii) the State transportation improvement program approved by the USDOT or its designated agency, in each case to the extent required by 23 U.S.C. §§ 134 and 135 and 23 U.S.C. § 602(a)(3), as applicable. The financial plan for each such program or plan reflects the amount of the TIFIA Loan and all other federal funds to be used for the Project as sources of funding for the Project.

(l) Credit Ratings. The Series 2015 Bonds have received an Investment Grade Rating from at least two (2) Nationally Recognized Rating Agencies, the TIFIA Bond has received a public rating from at least two (2) Nationally Recognized Rating Agencies, and written evidence of such ratings has been provided to the TIFIA Lender prior to the Effective Date, and no such rating has been reduced, withdrawn or suspended as of the Effective Date.

(m) No Defaults. The Borrower is not in default under the terms of any Related Document, and no event has occurred or condition exists that, with the giving of notice or the passage of time or both, would constitute an Event of Default.

(n) Governmental Approvals. All Governmental Approvals required as of the Effective Date and any subsequent date on which this representation is made (or deemed made) for the undertaking and completion by the Borrower of the Project and for the operation and management of the Project have been obtained or effected and are in full force and effect and there is no basis for, nor proceeding that is pending or threatened that could reasonably be expected to result in, the revocation of any such Governmental Approval.

(o) Principal Project Contracts. Each Principal Project Contract in effect as of any date on which this representation and warranty is made is in full force and effect and all conditions precedent to the obligations of the respective parties under each Principal Project Contract have been satisfied. To the extent requested by the TIFIA Lender pursuant to Section 16(b) (*Copies of Documents*), the Borrower has delivered to the TIFIA Lender a fully executed, complete and correct copy of each such Principal Project Contract and each Additional Project Contract (including in each case all exhibits, schedules and other attachments) that is in effect, including any amendments or modifications thereto and any related credit support instruments or side letters. No event has occurred that gives the Borrower or DelDOT or, to the Borrower's knowledge, any Principal Project Party, the right to terminate any Principal Project Contract. Neither the Borrower nor DelDOT is in breach of any material term in or in default under any Principal Project Contract, and to the knowledge of the Borrower no other party to any Principal Project Contract is in breach of any material term therein or in default thereunder.

(p) Information. The information furnished by the Borrower to the TIFIA Lender, when taken as a whole, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein not misleading as of the date made or furnished; provided, that no representation or warranty is made with regard to projections or other forward-looking statements provided by or on behalf of the Borrower (including the Base Case Financial Model, any Revised Financial Model and the assumptions therein) except that the assumptions in the Base Case Financial Model and any Revised Financial Model were reasonable in all material respects when made.

(q) OFAC; Anti-Corruption Laws. None of the Borrower or, to the knowledge of the Borrower, any Principal Project Party (i) is in violation of or, since the date that is five (5) years prior to the Effective Date, has violated: (A) any applicable anti-money laundering laws, including those contained in the Bank Secrecy Act and the Patriot Act; (B) any applicable economic sanction laws administered by OFAC or by the United States Department of State; or (C) any applicable anti-drug trafficking, anti-terrorism, or anti-corruption laws, civil or criminal; or (ii) is a Person (A) that is charged with, or has received notice from a Governmental Authority that it is under investigation for, any violation of any such laws; (B) that has been, since the date that is five (5) years prior to the Effective Date, convicted of any violation of, has been subject to criminal or civil penalties pursuant to, had any of its property seized or forfeited under, or has entered into any agreement with the Government or a state or local government related to violations of, any such laws; (C) that is named on the list of "Special Designated Nationals or Blocked Persons" maintained by OFAC (or any successor Government office or list), or any similar list maintained by the United States Department of State (or any successor Government office or list); (D) with whom any U.S. Person (as defined in the applicable OFAC regulations) is prohibited from transacting business of the type contemplated by this Agreement and the other Related Documents under any other applicable law; or (E) with respect to a Principal Project Party, that is owned (other than any Person beneficially owning or holding five percent (5%) or less of the equity interests of such Principal Project Party) or Controlled by any Person identified in clause (A), (B), (C) or (D) of this clause (ii).

(r) Compliance with Law. The Borrower and DelDOT are each in compliance in all material respects with, and has conducted (or caused to be conducted) its business and government functions and the development of the Project in compliance in all material respects with, all applicable laws (other than Environmental Laws, which are addressed in Section 14(s)) (*Environmental Matters*)), including those set forth on **Exhibit E**, to the extent applicable. To the Borrower's knowledge, each Principal Project Party is, and has caused its respective contractors and subcontractors to be, in compliance in all material respects with all applicable laws, including those set forth on **Exhibit E**, to the extent applicable. No notices of violation of any applicable law have been issued, entered or received by the Borrower, DelDOT or, to the Borrower's knowledge and solely in respect of the Project or any Principal Project Contract, by any Principal Project Party, other than, in each case, notices of violations that are immaterial.

(s) Environmental Matters. The Borrower, DelDOT, and, to the Borrower's knowledge, each Principal Project Party is in compliance with all laws applicable to the Project relating to (i) air emissions, (ii) discharges to surface water or ground water, (iii) noise emissions, (iv) solid or liquid waste disposal, (v) the use, generation, storage, transportation or

disposal of toxic or hazardous substances or wastes, (vi) biological resources (such as threatened and endangered species), and (vii) other environmental, health or safety matters, including all laws applicable to the Project referenced in the notice "Federal Environmental Statutes, Regulations, and Executive Orders Applicable to the Development and Review of Transportation Infrastructure Projects," 79 Fed. Reg. 22756 (April 23, 2014) (or any successor Federal Register notice of similar import), which document is available at http://www.transportation.gov/policy/transportation-policy/environment/laws ("**Environmental Laws**"). **Schedule 14(s)** lists all Governmental Approvals relating to Environmental Laws for the Project. All Governmental Approvals for the Project relating to Environmental Laws have been, or, when required, will be, obtained and are (or, as applicable, will be) in full force and effect. Neither the Borrower nor DelDOT has received any written communication or notice, whether from a Governmental Authority, employee, citizens group, or any other Person, that alleges that the Borrower or DelDOT is not in full compliance with all Environmental Laws and Governmental Approvals relating thereto in connection with the Project and, to the Borrower's knowledge, there are no circumstances that may prevent or interfere with full compliance in the future by the Borrower or DelDOT with any such Environmental Law or Governmental Approval. The Borrower has provided to the TIFIA Lender all material assessments, reports, results of investigations or audits, and other material information in the possession of or reasonably available to the Borrower or DelDOT regarding the Borrower's, DelDOT's or the Project's compliance with (A) Environmental Laws and (B) Governmental Approvals relating to Environmental Laws that are required for the Project.

(t) Sufficient Rights and Utilities. The Borrower possesses either valid legal and beneficial title to, leasehold title in, or other valid legal rights with respect to the real property relating to the Project, in each case as is necessary and sufficient as of the date this representation is made for the construction, operation, maintenance and repair of the Project. As of any date on which this representation and warranty is made, the Principal Project Contracts then in effect and the Governmental Approvals that have been obtained and are then in full force and effect are sufficient (i) during the Construction Period, for the then current stage of development and construction in accordance with the Construction Schedule and the Project Budget and (ii) after the Construction Period, for the operation and maintenance of the Project in accordance with the Financial Plan most recently approved by the TIFIA Lender. All utility services, means of transportation, facilities and other materials necessary for the construction and operation of the Project (including, as necessary, gas, electrical, water and sewage services and facilities) are, or will be when needed, available to the Project and arrangements in respect thereof have been made on commercially reasonable terms.

(u) Insurance. **Schedule 14(u)** sets forth evidence of all insurance and self-insurance arrangements of any nature maintained by the Borrower or DelDOT with respect to the Project, as well as a summary of the terms of each such policy. The Borrower and DelDOT are in compliance with all insurance obligations required under the Indenture and each Principal Project Contract that has been entered as of the date on which this representation and warranty is made. The Borrower shall update **Schedule 14(u)** at the time of each disbursement of the TIFIA Loan to include any additional policies or self-insurance arrangements, if any, related to Project through the date of the final disbursement under the TIFIA Loan. To the extent the Borrower or DelDOT self-insures, the Borrower's or DelDOT's self-insurance program, as applicable, is actuarially sound and the Borrower or DelDOT, as applicable; has received an opinion from an accredited actuary within the last twelve (12) months, which opinion confirms that the Borrower's or DelDOT's self-insurance program, as applicable, is actuarially sound.

(v) Title. The Borrower has valid legal and beneficial title to, or a valid leasehold interest in, the personal property and other assets and revenues thereof (including the Revenues, the Trust Estate and the Pledged TTF Revenues) on which it purports to grant Liens pursuant to the Indenture Documents, in each case free and clear of any Lien of any kind, except for Permitted Liens.

(w) No Liens. Except for Permitted Liens, the Borrower has not created, and is not under any obligation to create, and has not entered into any transaction or agreement that would result in the imposition of, any Lien on the Trust Estate, the Project or any of the Borrower's properties or assets in relation to the Project.

(x) Intellectual Property. The Borrower owns, or has adequate licenses or other valid rights to use, all patents, trademarks, service marks, trade names, copyrights, franchises, formulas, licenses and other rights with respect thereto, and has obtained assignment of all licenses and other rights of whatsoever nature, in each case necessary for the Project and the operation of its business. To the Borrower's knowledge, there exists no conflict with the rights or title of any third party with respect to the intellectual property described in the preceding sentence. Excluding the use of commercially available "off-the-shelf" software, to the Borrower's knowledge, no product, process, method, substance, part or other material produced or employed or presently contemplated to be produced by or employed by the Project infringes or will infringe any patent, trademark, service mark, trade name, copyright, franchise, formula, license or other intellectual property right of any third party.

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(y) Investment Company Act. The Borrower is not, and after applying the proceeds of the TIFIA Loan will not be, required to register as an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and is not "controlled" by a company required to register as an "investment company" under the Investment Company Act of 1940, as amended.

(z) Financial Statements. Each income statement, balance sheet and statement of operations and cash flows (collectively, "**Financial Statements**") delivered to the TIFIA Lender pursuant to Section 22(d) (*Financial Statements*) has been prepared in accordance with GAAP and presents fairly, in all material respects, the financial condition of the Borrower as of the respective dates of the balance sheets included therein and the results of operations of the Borrower for the respective periods covered by the statements of income included therein. Except as reflected in such Financial Statements, there are no liabilities or obligations of the Borrower of any nature whatsoever for the period to which such Financial Statements relate that are required to be disclosed in accordance with GAAP.

(aa) Taxes. The Borrower is not required to file tax returns with any Governmental Authority.

(bb) ERISA. Neither Borrower nor any ERISA Affiliate maintains or otherwise has any liability in respect of any plan or other arrangement that is subject to ERISA or Section 412 of the Code.

(cc) Sufficient Funds. The aggregate of (i) all funds that are undrawn but fully and completely committed under the Indenture Documents and this Agreement, (ii) the proceeds from the Borrower's issuance of grant anticipation revenue vehicle bonds ("**GARVEE Bonds**") in 2010, (iii) amounts available to the Borrower without restriction from the Transportation Trust Fund to pay for Total Project Costs, (iv) all delay payments and insurance proceeds in respect of any casualty loss (other than any proceeds of business interruption insurance, delay-in-start-up insurance and proceeds covering liability of the Borrower to third parties) received by the Borrower or to which the Borrower is entitled in accordance with the applicable insurance policies and Principal Project Contracts, and (v) all funds available under any other unused funding that is committed and available, will be sufficient to pay all Total Project Costs necessary to achieve Substantial Completion.

(dd) Sovereign Immunity. Neither the Borrower nor DelDOT has immunity from the jurisdiction of any court of competent jurisdiction nor from any legal process therein which could be asserted in any action to enforce the obligations of Borrower or DelDOT under any of the Related Documents to which it is a party or the transactions contemplated hereby or thereby, including the obligations of the Borrower or DelDOT hereunder and thereunder. To the extent that Borrower has such immunity, the Borrower has waived such immunity pursuant to Section 16(r) (*Immunity*).

(ee) Patriot Act. Neither the Borrower nor DelDOT is required to establish an anti-money laundering compliance program pursuant to the Patriot Act.

(ff) Identification Numbers. The Federal Employer Identification Number assigned to DelDOT, as reflected in that certain Form W-9, dated January 6, 2015, is a valid Federal Employer Identification Number for the Borrower and each other authority within DelDOT and may be used by the Borrower for all purposes for which the Borrower may need to use such number. The Data Universal Numbering System number assigned to DelDOT is a valid Data Universal Numbering System number for the Borrower and each other authority within DelDOT and may be used by the Borrower for all purposes for which the Borrower may need to use such number. DelDOT is in active registration status with the federal System for Award Management (www.SAM.gov) and such registration is an effective active registration by the Borrower thereunder for all purposes.

SECTION 15. Representations and Warranties of TIFIA Lender. The TIFIA Lender hereby makes the following representations and warranties as of the Effective Date:

(a) Power and Authority. The TIFIA Lender has all requisite power and authority to make the TIFIA Loan and to perform all transactions contemplated by the Related Documents to which it is a party.

(b) Due Execution; Enforceability. The Related Documents to which the TIFIA Lender is a party have been duly authorized, executed and delivered by the TIFIA Lender, and are legally valid and binding agreements of the TIFIA Lender, enforceable in accordance with their terms.

(c) Officers' Authorization. The officers of the TIFIA Lender executing each of the Related Documents to which the TIFIA Lender is a party are duly and properly in office and fully authorized to execute the same on behalf of the TIFIA Lender.

SECTION 16. Affirmative Covenants. The Borrower covenants and agrees as follows until the date the TIFIA Bond and the obligations of the Borrower under this Agreement (other than contingent indemnity obligations) are irrevocably paid in full in cash, unless the TIFIA Lender waives compliance in writing:

(a) Securing Liens. The Borrower shall at any and all times, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable in connection with assuring, conveying, granting, assigning, securing and confirming the Liens on the Trust Estate and the Pledged TTF Revenues (whether now existing or hereafter arising) granted to the Trustee for the benefit of the Secured Parties pursuant to the Indenture Documents, or intended so to be granted pursuant to the Indenture Documents, or which the Borrower may become bound to grant, and the Borrower shall at all times maintain the Trust Estate free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto that has priority over, or equal rank with, the Liens created by the Indenture Documents, other than as permitted by this Agreement, and the Borrower shall duly and validly take all organizational, regulatory or other necessary action to that end at all times. The Borrower shall at all times, to the extent permitted by law, defend, preserve and protect the Liens on the Trust Estate granted pursuant to the Indenture Documents and all the rights of the Trustee for the benefit of the Secured Parties under the Indenture Documents against all claims and demands of all Persons whomsoever, subject to Permitted Liens. The Borrower shall at all times, to the extent permitted by law, defend, preserve and protect the Liens on the Pledged TTF Revenues granted pursuant to the 1988 Trust Agreement in accordance with the terms of the 1988 Trust Agreement.

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(b) Copies of Documents.

(i) Debt Documentation. The Borrower shall furnish to the TIFIA Lender a copy of any draft documents and final offering documents (including any Indenture Documents) and cash flow projections prepared in connection with the incurrence of any Permitted Debt or other indebtedness subject to approval by the TIFIA Lender pursuant to Section 17(a) (*Indebtedness*), in each case prior to the incurrence of any such Permitted Debt or such other indebtedness, as well as copies of any continuing disclosure documents, prepared by or on behalf of the Borrower in connection with the incurrence of such Permitted Debt or such other indebtedness, in each case promptly following the preparation or filing thereof. Except as otherwise agreed by the TIFIA Lender in writing, the Borrower will provide to the TIFIA Lender (i) copies of any draft documents relating to the incurrence of Permitted Debt (other than

equipment leases and trade accounts included in such definition) at least thirty (30) days prior to the proposed effective date thereof and (ii) copies of fully executed or final versions of such documentation within ten (10) days following execution or completion thereof.

(ii) Principal Project Contracts. The Borrower shall provide written notice to the TIFIA Lender of the Borrower's or DelDOT's intent to enter into a Principal Project Contract and shall provide drafts of any such Principal Project Contracts, together with any related contracts, side letters or other understandings at least thirty (30) days prior to the proposed effective date thereof. The Borrower shall provide to the TIFIA Lender an executed version of such Principal Project Contract, together with any related contracts, side letters or other understandings within ten (10) days following execution thereof.

(iii) Additional Project Contracts. The Borrower shall provide written notice to the TIFIA Lender of the Borrower's intent to enter into an Additional Project Contract and, if such Additional Project Contract is subject to approval by the TIFIA Lender pursuant to Section 17(e) (*Additional Project Contracts*), shall provide drafts of any such Additional Project Contracts, together with any related contracts, side letters or other understandings at least thirty (30) days prior to the proposed effective date thereof. If the TIFIA Lender requests a copy of any Additional Project Contract that is not subject to approval by the TIFIA Lender, the Borrower shall provide a copy of the final or near final draft of such Additional Project Contract, together with any related contracts, side letters or other understandings, prior to the execution thereof and, if requested by the TIFIA Lender, shall provide to the TIFIA Lender an executed version of such Additional Project Contract, together with any related contracts, side letters or other understandings, within ten (10) days following the execution or completion thereof.

(c) Use of Proceeds. The Borrower shall use the proceeds of the TIFIA Loan for purposes permitted by applicable law and as otherwise permitted under this Agreement and the other Related Documents.

(d) Prosecution of Work; Verification Requirements.

(i) The Borrower shall, and shall cause DelDOT to, diligently prosecute the work relating to the Project and complete the Project in accordance with the Construction Schedule, and in accordance with the highest standards of the Borrower's and DelDOT's industry.

(ii) The Borrower shall cause DelDOT to ensure that each Construction Contractor complies with all applicable laws and legal or contractual requirements with respect to any performance security instrument delivered by such Construction Contractor to DelDOT and to ensure that any letter of credit provided pursuant to any Construction Agreement meets the requirements therefor set forth in such Construction Agreement. The Borrower shall cause DelDOT not to waive the surety financial requirements relating to any payment, performance or warranty bond pursuant to any Construction Agreement without the TIFIA Lender's prior written consent.

(iii) The Borrower shall comply with the verification requirements set forth in 2 C.F.R. §§ 180.300 and 180.320.

(e) Operations and Maintenance.

(i) The Borrower shall (A) operate and maintain the Project (1) in a reasonable and prudent manner, and (2) substantially in accordance with the Financial Plan most recently approved by the TIFIA Lender (except as necessary to prevent or mitigate immediate threats to human health and safety or to prevent or mitigate physical damage to material portions of the Project), and (B) maintain the Project in good repair, working order and condition and in accordance with the requirements of all applicable laws and each applicable Related Document. The Borrower shall at all times do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the Governmental Approvals and any other rights, licenses, franchises and authorizations material to the conduct of its business.

(ii) Following the Substantial Completion Date, the Borrower shall have the right to incur Current Expenses, Major Maintenance Costs and Capital Expenditures without any consent or approval of the TIFIA Lender if such costs do not exceed, for any Borrower Fiscal Year, an amount equal to one hundred ten percent (110%) of the amount budgeted therefor in the annual budgets included in the Financial Plan approved by the TIFIA Lender for such Borrower Fiscal Year. Any Current Expenses, Major Maintenance Costs or Capital Expenditures in excess of such amounts will require the approval of the TIFIA Lender (in consultation with the Engineering Consultant).

(f) Insurance.

(i) During the Construction Period, the Borrower shall cause DelDOT to at all times maintain (or cause the Construction Contractors to maintain, in accordance with the applicable Construction Agreements) insurance for the construction of the Project, with responsible insurers, as required by the Principal Project Contracts and as is customarily maintained in the United States of America with respect to works and properties of like character, against accident to, loss of or damage to such works or properties, which shall include liability coverage and pollution and other environmental liability and remediation related coverage. The Borrower shall cause each Principal Project Party (or shall cause DelDOT to cause such Principal Project Party) to obtain and maintain casualty and liability insurance in accordance with the requirements of the applicable Principal Project Contract.

(ii) The Borrower shall at all times following the Construction Period maintain (or cause DelDOT to maintain) with responsible insurers, or through a program of self-insurance, insurance on the Project as is customarily maintained with respect to works and properties of like character against accident to, loss of, or damage to such works or properties and satisfying the applicable requirements of the Indenture Documents.

(iii) To the extent the Borrower or DelDOT elects to self-insure, the Borrower shall deliver to the TIFIA Lender annually a written opinion of an accredited actuary that

confirms that the Borrower's or DelDOT's self-insurance program, as applicable, is actuarially sound.

(iv) The Borrower shall prepay the TIFIA Loan in whole or in part, without penalty or premium, from any Net Loss Proceeds available for prepayment of the TIFIA Loan after application in accordance with Section 5.7 of the Indenture. Any Net Loss Proceeds available for prepayment of the TIFIA Loan shall be deposited in the TIFIA Debt Service Fund for application in accordance with Section 10(a)(ii) (*Mandatory Prepayments*).

(v) The Borrower shall (by self-insuring or maintaining with responsible insurers or by a combination thereof) provide, or shall cause DelDOT to provide, for workers' compensation insurance for Borrower's and DelDOT's workers and insurance against public liability and property damage to the Project to the extent reasonably necessary to protect the Borrower, DelDOT and the TIFIA Lender.

(vi) The Borrower shall cause all liability insurance policies that it or DelDOT maintains (and, during the Construction Period, that are maintained by any Construction Contractor), other than workers' compensation insurance, to reflect the TIFIA Lender as an additional insured to the extent of its insurable interest.

(vii) The Borrower shall deliver to the TIFIA Lender all (A) insurance brokers' letters, and (B) certificates of insurance, in each case promptly after Borrower's receipt thereof and in any event no later than when required to be delivered pursuant to the Indenture. Promptly upon request by the TIFIA Lender, the Borrower shall deliver to the TIFIA Lender copies of any underlying insurance policies obtained by or on behalf of the Borrower or DelDOT in respect of the Project. All such policies shall be available at all reasonable times for inspection by the TIFIA Lender, its agents and representatives.

(viii) The Borrower shall comply with the insurance requirements of the Indenture Documents and shall deliver to the TIFIA Lender within five (5) Business Days after receipt thereof any certifications or opinions provided to the Borrower with respect to the Borrower's program of insurance or self-insurance.

(g) Notice.

(i) The Borrower shall, within five (5) Business Days after the Borrower learns of the occurrence, give the TIFIA Lender notice of any of the following events or receipt of any of the following notices, as applicable, setting forth details of such event:

(A) Substantial Completion: the occurrence of Substantial Completion, such notice to be provided in the form set forth in **Exhibit L**;

(B) Events of Default: any Event of Default or any event that, with the giving of notice, the passage of time or both, would constitute an Event of Default;

(C) Litigation: (1) the filing of any litigation, suit or action, or the commencement of any proceeding, against the Borrower before any arbitrator, Governmental

Authority, alternative dispute resolution body or other neutral third-party, or the receipt by the Borrower in writing of any threat of litigation, suit, action or proceeding, or of any written claim against the Borrower that, in each case, could reasonably be expected to have a Material Adverse Effect, and any material changes in the status of such litigation, suit, action or claim, (2) any judgments against the Borrower with award amounts in excess of $1,000,000, either individually or in the aggregate and (3) any material notices or filings in respect of any action, petition, suit or proceeding listed in **Schedule 14(f)**;

(D) Delayed Governmental Approvals: any failure to receive or delay in receiving any Governmental Approval or making any required filing, notice, recordation or other demonstration to or with a Governmental Authority, in each case to the extent such failure or delay will or could reasonably be expected to result in a delay to any major milestone date (including the Projected Substantial Completion Date) set forth in the Construction Schedule, together with a written explanation of the reasons for such failure or delay and the Borrower's plans to remedy or mitigate the effects of such failure or delay;

(E) Environmental Notices: any material notice of violation under any Environmental Law related to the Project or any material changes to the NEPA Determination;

(F) Insurance Claim: any insurance claims made by the Borrower, DelDOT, or a Construction Contractor in excess of $1,000,000, either individually or in the aggregate, to the extent related to the Project or to the extent the proceeds from such insurance claim would be deposited into a Project Account;

(G) Amendments: except as otherwise agreed by the TIFIA Lender in writing, copies of (1) any proposed amendments to any Principal Project Contract or other Related Document at least thirty (30) days prior to the effective date thereof and (2) copies of fully executed amendments within ten (10) days following execution thereof;

(H) Principal Project Contract Defaults: any material breach or default or event of default on the part of the Borrower, DelDOT or any other party under any Principal Project Contract;

(I) Uncontrollable Force: the occurrence of any Uncontrollable Force that could reasonably be expected to result in a Material Adverse Effect;

(J) Ratings Changes: any change in the rating assigned to the Senior Obligations, the TIFIA Loan, any indebtedness issued pursuant to the 1988 Trust Agreement, any Pari Passu Obligations or any Subordinated Obligations by any Nationally Recognized Rating Agency that has provided a public rating on such indebtedness, the Borrower, or the Trust Estate;

(K) 2 C.F.R. § 180.350 Notices: any notification required pursuant to 2 C.F.R. § 180.350, whether attributable to a failure by the Borrower to disclose information previously required to have been disclosed or due to the Borrower or any of its principals meeting any of the criteria set forth in 2 C.F.R. § 180.335; and

(L) Other Adverse Events: the occurrence of any other event or condition, including any notice of breach from a contract counterparty, that could reasonably be expected to result in a Material Adverse Effect.

(ii) The Borrower shall provide the TIFIA Lender with any further information reasonably requested by the TIFIA Lender from time to time concerning the matters described in Section 16(g)(i) (*Notice*).

(h) Remedial Action. Within thirty (30) calendar days after the Borrower learns of the occurrence of an event specified in Section 16(g)(i) (*Notice*) (other than sub-clauses (A) (*Substantial Completion*), (G) (*Amendments*) or (J) (*Ratings Changes*) (in the case of a ratings upgrade)), the Borrower's Authorized Representative shall provide a statement to the TIFIA Lender setting forth the actions the Borrower proposes to take with respect thereto.

(i) Maintain Legal Structure. The Borrower shall maintain its existence as a public instrumentality and body corporate and politic of the State, organized and existing under the laws of the State.

(j) Annual Rating. The Borrower shall, commencing in 2016, no later than the last Business Day of June of each year during the term of the TIFIA Bond, at no cost to the TIFIA Lender, provide to the TIFIA Lender (i) a public rating on the Senior Obligations, the TIFIA Bond, and any indebtedness issued pursuant to the 1988 Trust Agreement, by a Nationally Recognized Rating Agency, together with the rating report or letter delivered by such Nationally Recognized Rating Agency in connection with each such rating, or (ii) solely to the extent there has been no change to the rating provided by such Nationally Recognized Rating Agency to the TIFIA Lender in the immediately preceding June pursuant to this Section 16(j), a letter of confirmation of such rating(s), together with any rating report prepared in connection with such letter of confirmation, to the extent available, in the case of each of clause (i) and (ii) prepared no earlier than June 1 of such year. To the extent a rating has changed only with respect to the Senior Obligations, the TIFIA Bond, or any indebtedness issued pursuant to the 1988 Trust Agreement, the Borrower shall provide a rating in accordance with clause (i) above with respect to the obligation for which the rating has changed and a letter of confirmation in accordance with clause (ii) above with respect to the obligation for which the rating is unchanged.

(k) Project Accounts; Permitted Investments.

(i) The Borrower shall maintain the Reserve Fund, including all subaccounts therein, in an amount equal to the Reserve Fund Requirement for the applicable Bonds and in accordance with the provisions of this Agreement and the Indenture Documents. To the extent necessary, the Borrower shall, and shall cause the Trustee to, make amounts in the Reserve Fund available for the timely payment of Annual Debt Service in respect of the applicable Senior Obligations.

(ii) To the extent not provided in clause (i) above, the Borrower shall cause the Reserve Accounts to be funded in accordance with the requirements of this Agreement and the Indenture Documents.

(iii) The Borrower shall deposit to the TIFIA Prepayment Account an amount equal to fifty percent (50%) of any funds in or deposited to the Toll Stabilization Fund in excess of the TSF Minimum Fund Balance; provided, that if repair and replacement costs result in the exhaustion of all funds on deposit in the Repair and Replacement Fund and the Borrower withdraws amounts from the Toll Stabilization Fund to pay for such repair and replacement costs, then (A) the TSF Minimum Fund Balance shall be adjusted downward to reflect the amount actually on deposit in the Toll Stabilization Fund (taking into account any withdrawals from the Toll Stabilization Fund for repair and replacement costs that have not been replenished) and (B) at any time after the Repair and Replacement Fund has been exhausted and until the amount on deposit in the Toll Stabilization Fund is equal to or greater than the TSF Minimum Fund Balance, no amounts deposited to the Toll Stabilization Fund shall be transferred to or deposited into the Transportation Trust Fund.

(iv) Amounts on deposit in the TIFIA Debt Service Fund, the TIFIA Prepayment Account, the Toll Stabilization Fund and the Revenue Funded Account under the Reserve Fund shall be held uninvested or invested in Permitted Investments. The Borrower shall invest amounts on deposit in any Project Account not described in the preceding sentence in accordance with the requirements of the Indenture. Permitted Investments must mature or be redeemable at the election of the holder as follows: (A) with respect to Permitted Investments maintained in the TIFIA Debt Service Fund, not later than the next Semi-Annual Payment Date, (B) with respect to Permitted Investments maintained in the TIFIA Debt Service Fund, the next Payment Date for repayment of principal in respect of such debt and (C) with respect to any other Project Accounts listed above, on or prior to the date on which the funds invested in such Permitted Investments are reasonably expected to be needed for any payment from the applicable Project Account.

(v) The Borrower may replace all or a portion of the required balance of any Reserve Account, in accordance with the terms of the applicable Indenture Documents, with a Credit Facility provided by a financial institution with an Acceptable Credit Rating. If at any time an issuer of an Acceptable Letter of Credit securing a Reserve Account ceases to be a Qualified Issuer, the Borrower shall cause such letter of credit to be replaced by a new Acceptable Letter of Credit within ten (10) Business Days of the date on which the current issuer ceased to be a Qualified Issuer, or else the Trustee shall be permitted to immediately draw the full amount of such letter of credit and deposit the proceeds of such drawing into the applicable Reserve Account. Any new Acceptable Letter of Credit shall have the same terms and conditions (including expiration date and face amount) as the letter of credit being replaced, or such other terms and conditions as may be satisfactory to the TIFIA Lender. In the event that any letter of credit securing a Reserve Account is scheduled to expire prior to the Final Maturity Date, the Borrower shall replace such letter of credit with a new Acceptable Letter of Credit at least ten (10) Business Days prior to the stated expiry date of the existing letter of credit and such new Acceptable Letter of Credit shall be in an amount equal to at least the amount of expiring letter of credit. In the event that the Borrower fails to provide such new Acceptable Letter of Credit by the date required above, the Trustee shall be permitted to immediately draw the full undrawn amount of the existing letter of credit and deposit the proceeds of such drawing into the applicable Reserve Account.

(vi) The Borrower shall hold all cash advances representing deposits against future toll payments, as described in Section 5.13 of the Indenture, in an account established with the Trustee and shall not grant or permit any Lien upon such account (other than the claim of any user of the Project to funds deposited by such user that are not ultimately converted into Tolls).

(l) Rate Coverage. The Borrower shall, subject to the remainder of this paragraph, fix, charge and collect rates and charges such that Adjusted Net Toll Revenues in each Calculation Period through the Final Maturity Date are sufficient to produce a Total Debt Service Coverage Ratio at least equal to 1.20 in each such Calculation Period (the "**Rate Coverage Test**"). On each Calculation Date, the Borrower shall recalculate the Total Debt Service Coverage Ratio for each Calculation Period through the Final Maturity Date. If the Borrower determines, as of any Calculation Date (or in any Financial Plan delivered to the TIFIA Lender pursuant to Section 22 (*Financial Plan, Statements, and Reports*)), that (i) Adjusted Net Toll Revenues during any twelve (12) month period during the most recent eighteen (18) month period for which such data are then available did not exceed or at least equal 1.20 times Annual Debt Service, or (ii) projected Adjusted Net Toll Revenues may be inadequate to satisfy the Rate Coverage Test for any Calculation Period until the Final Maturity Date, or if the Borrower fails to satisfy the Rate Coverage Test in respect of any Calculation Period then ended, the Borrower shall (x) within thirty (30) days after notifying the TIFIA Lender pursuant to Section 5.2 of the Indenture of any historical shortfall in satisfying the Rate Coverage Test, in the case of clause (i) above, or within thirty (30) days after the calculation (or, if applicable, the submission of the Financial Plan) demonstrating a prospective shortfall in satisfying the Rate Coverage Test, engage the Traffic Consultant to review and analyze the operations of the Project and recommend actions regarding revising the rates or changing the methods of operations, or any other actions to increase the Adjusted Net Toll Revenues so as to satisfy the Rate Coverage Test for future Calculation Periods, (y) cause the Traffic Consultant to issue its report, including any such recommended actions, no later than one hundred eighty (180) days following the end of the first Borrower Fiscal Year with respect to which the Rate Coverage Test was not satisfied, and (z) either (A) implement the Traffic Consultant's recommendation or (B) undertake an alternative course of action after demonstrating to the TIFIA Lender's satisfaction the manifest errors contained in the Traffic Consultant's recommended actions, or to the extent agreed upon by the TIFIA Lender, undertake an alternative course of action that will ensure the Borrower's ability to meet its payment obligations under this Agreement; provided, that the failure to achieve compliance with the Rate Coverage Test shall not constitute an Event of Default to the extent that (i) the Borrower complies with the requirements of this Section 16(l), (ii) an Event of Default does not otherwise exist, and (iii) the Tolls established by the Borrower yield amounts sufficient to satisfy the Rate Coverage Test by no later than the sixth (6th) Semi-Annual Payment Date occurring after the first date on which the Borrower failed to satisfy the Rate Coverage Test.

(m) [Reserved].

(n) Material Obligations; Liens. The Borrower shall pay its material obligations promptly and in accordance with their terms and pay and discharge promptly all taxes, assessments and governmental charges or levies imposed upon it or upon the Project, the Revenues or the Borrower's other income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful and material claims for labor, materials and supplies or other claims which, if unpaid, might give rise to a Lien upon such properties or any part thereof or on the Revenues, the Trust Estate or the Pledged TTF Revenues; provided, however, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy, claim or Lien so long as the validity or amount thereof shall be contested by the Borrower in good faith by appropriate proceedings and so long as the Borrower shall have set aside adequate reserves with respect thereto in accordance with and to the extent required by GAAP, applied on a consistent basis.

(o) Hedging.

(i) As a condition to the issuance of any Senior Obligations or Pari Passu Obligations that bear interest at a Variable Interest Rate, the Borrower shall enter into a Qualified Hedge with respect to such Senior Obligations and Pari Passu Obligations and shall maintain such Qualified Hedge in place until the earlier to occur of (i) the maturity date of any such Senior Obligations or Pari Passu Obligations and (ii) the Final Maturity Date. Each Qualified Hedge must have an aggregate stated notional amount of not less than (A) during the Construction Period, at least ninety percent (90%) and not more than one hundred ten percent (110%) of the aggregate principal amount of the Variable Interest Rate Senior Obligations projected to be outstanding during such time period and (B) at all other times, at least ninety-eight percent (98%) and not more than one hundred two percent (102%) of the aggregate principal amount of the Variable Interest Rate Senior Obligations projected to be outstanding until the maturity of such Variable Interest Rate Senior Obligations. Any such Qualified Hedge shall have a payment profile that is reasonably consistent with the expected draw and repayment schedule of the applicable Variable Interest Rate Senior Obligations subject to such Qualified Hedge. Such Qualified Hedge shall have a stated maturity or termination date not earlier than the earlier to occur of (x) the Final Maturity Date and (y) the final maturity date of the Variable Interest Rate Senior Obligations subject to such Qualified Hedge.

(ii) Each Qualified Hedge shall provide for a fixed interest rate resulting in fixed payment amounts payable by the Borrower to the Qualified Hedge Provider. The Borrower's obligations to pay Hedging Obligations and Hedging Termination Obligations shall be from the sources and in the priority specified in the Indenture Documents. The Borrower shall ensure that, as of the day following the termination date of any Qualified Hedge that for any reason terminates before the final maturity date of the Variable Interest Rate Senior Obligations subject to such Qualified Hedge, (A) a Subsequent Qualified Hedge (as defined below) is in full force and effect or (B) the Variable Interest Rate Senior Obligations have been converted to a fixed rate, in each case in accordance with this Agreement and the Indenture Documents.

(iii) Any Hedging Transaction entered into subsequent to the termination of a Qualified Hedge (a "**Subsequent Qualified Hedge**") shall (A) be a Qualified Hedge, (B) commence no later than the termination date of the Qualified Hedge that is terminating and (C) terminate no earlier than the earlier to occur of (1) the Final Maturity Date and (2) the final maturity date of the Variable Interest Rate Senior Obligations subject to such Subsequent Qualified Hedge.

(iv) The Borrower shall not commence seeking any bids from any Qualified Hedge Provider for a Subsequent Qualified Hedge unless, at least thirty (30) days prior thereto, the Borrower has delivered to the TIFIA Lender evidence satisfactory to the TIFIA Lender and certified by the Borrower's Authorized Representative that the process to be utilized by the Borrower for selecting such Subsequent Qualified Hedge is a competitive process designed to obtain a fair market price and to avoid conflicts of interest. At the time the Subsequent Qualified Hedge is priced, the Borrower shall provide to the TIFIA Lender a certificate from a qualified third party acceptable to the TIFIA Lender to the effect that either the underlying London Interbank Offered Rate (LIBOR) based fixed rate or the price of acquiring such Subsequent Qualified Hedge is a fair price based on the interest rate market at the time such Qualified Hedge is priced.

(v) The Trustee shall be granted a security interest in each Qualified Hedge and payments due under each Qualified Hedge in order to secure the Borrower's obligations to under the TIFIA Loan Documents. The Hedging Agreements shall provide that all payments due thereunder to the Borrower shall be made directly to the Trustee for deposit and disbursement in accordance with the Indenture Documents.

(vi) The Borrower shall neither terminate (other than Permitted Hedging Terminations), transfer, nor consent to any transfer (other than to a Qualified Hedge Provider) of any existing Qualified Hedge without the TIFIA Lender's prior written consent as long as the Borrower is required to maintain a Qualified Hedge pursuant to this Agreement.

(vii) If at any time a Hedging Bank no longer satisfies the requirements for a Qualified Hedge Provider, the Borrower shall, within thirty (30) days of the date on which such Hedging Bank failed to qualify as a Qualified Hedge Provider, either (A) cash collateralize (or cause the Hedging Bank to cash collateralize) the mark-to-market value of the Hedging Termination Obligations (in accordance with the credit support annex or similar requirements of the applicable Hedging Agreement) or provide a guarantee for such amount from an entity with an Acceptable Credit Rating, or (B) cause such disqualified Hedging Bank to be replaced by a Qualified Hedge Provider, whether by means of a transfer of the disqualified Hedging Bank's Hedging Agreement to a Qualified Hedge Provider or by means of a termination of such disqualified Hedging Bank's Hedging Agreement and replacement thereof by a Hedging Agreement with a Qualified Hedge Provider on terms and conditions that satisfy the requirements of this Section 16(o); provided, that if the disqualified Hedging Bank's highest credit rating from any Nationally Recognized Rating Agency is less than 'A-', 'A3' or the equivalent, clause (A) shall not apply and the Borrower shall be required to cause such disqualified Hedging Bank to be replaced by a Qualified Hedge Provider pursuant to clause (B).

(p) SAM Registration. The Borrower shall (i) maintain its active registration status with the federal System for Award Management (www.SAM.gov) (or any successor system or registry) and (ii) within sixty (60) days prior to each anniversary of the Effective Date, provide to the TIFIA Lender evidence of such active registration status with no active exclusions reflected in such registration, in each case until the Final Maturity Date or to such earlier date as all amounts due or to become due to the TIFIA Lender hereunder have been irrevocably paid in full in cash.

(q) Events of Loss; Loss Proceeds.

(i) If an Event of Loss shall occur with respect to all or any part of the Project, the Borrower shall (A) diligently pursue all of its rights to compensation against all relevant insurers, reinsurers and Governmental Authorities, as applicable, in respect of such event and (B) pay or apply all Loss Proceeds stemming from such event in accordance with Section 16(q)(ii) (*Events of Loss; Loss Proceeds*) and, to the extent applicable, Section 10(a)(ii) (*Mandatory Prepayments*).

(ii) The Borrower shall apply all Loss Proceeds as provided in Section 5.7 of the Indenture. The Borrower shall cause the relevant insurers, reinsurers and Governmental Authorities, as applicable, to pay all Loss Proceeds directly to the Trustee as loss payee and, if paid to the Borrower, shall be received in trust and for the benefit of the Trustee segregated from other funds of the Borrower, and shall be paid over to the Trustee in the same form as received (with any necessary endorsement).

(r) Immunity. To the fullest extent permitted by applicable law, the Borrower agrees that it will not assert any immunity (and hereby waives any such immunity) it may have as a governmental entity from lawsuits, other actions and claims, and any judgments with respect to the enforcement of any of the obligations of the Borrower under this Agreement or any other TIFIA Loan Document.

(s) Patriot Act. If the anti-money laundering compliance program provisions of the Patriot Act become applicable to the Borrower, then the Borrower will provide written notice to the TIFIA Lender of the same and will promptly establish an anti-money laundering compliance program that complies with all requirements of the Patriot Act.

SECTION 17. Negative Covenants. The Borrower covenants and agrees as follows until the date the TIFIA Bond and the obligations of the Borrower under this Agreement (other than contingent indemnity obligations) are irrevocably paid in full in cash, unless the TIFIA Lender waives compliance in writing:

(a) Indebtedness.

(i) Except for Permitted Debt, the Borrower shall not issue or incur indebtedness of any kind that is unsecured or payable from Revenues or otherwise secured or supported by the Trust Estate, in each case without the prior written consent of the TIFIA Lender; provided, that following the occurrence, and during the continuation, of an Event of Default the Borrower shall not incur any indebtedness of any kind payable from or secured or supported by the Trust Estate, including Permitted Debt, without the prior written consent of the TIFIA Lender.

(ii) The Borrower shall not issue Pari Passu Obligations or Subordinated Obligations that require (A) the payment of interest on such Pari Passu Obligations or

Subordinate Obligations, as applicable, prior to the Debt Service Payment Commencement Date or (B) the commencement of amortization of the principal amount of such Pari Passu Obligations or Subordinate Obligations, as applicable, prior to the commencement of amortization of the principal amount of the TIFIA Loan.

(iii) Prior to the incurrence of Permitted Debt described in clauses (c), (d) or (g) of the definition thereof, the Borrower shall provide to the TIFIA Lender a certificate signed by the Borrower's Authorized Representative, demonstrating to the TIFIA Lender's satisfaction that such proposed indebtedness is authorized pursuant to this Section 17(a) and satisfies the applicable requirements under the definitions of "Permitted Debt" and "Additional Senior Obligations," as applicable.

(iv) To the extent any Permitted Debt consists of Put Bonds, the Borrower must maintain a Credit Facility that will pay any amounts payable by the Borrower in respect of such Put Bonds.

(b) No Lien Extinguishment or Adverse Amendments. The Borrower shall not, and shall not permit any Person to, without the prior written consent of the TIFIA Lender, either (i) extinguish or impair (A) the Lien on the Trust Estate granted pursuant to the Indenture or (B) the Lien on the Pledged TTF Revenues granted pursuant to the 1988 Trust Agreement and Supplemental Agreement No. 27 to the 1988 Trustee in favor of the TIFIA Bond and the other indebtedness described in Supplemental Agreement No. 27, (ii) amend, modify, replace or supplement any Related Document in a manner that could adversely affect the TIFIA Lender (in the TIFIA Lender's determination) in connection with the TIFIA Loan, (iii) waive or permit a waiver of any provision of any Related Document in a manner that could adversely affect the TIFIA Lender (in the TIFIA Lender's determination) in connection with the TIFIA Loan, or (iv) terminate, assign, amend or modify, or waive timely performance by any party of material covenants under any Principal Project Contract except for termination, assignment, amendment, modification or waiver that could not reasonably be expected to have a Material Adverse Effect (in the TIFIA Lender's determination). Except as otherwise agreed by the TIFIA Lender in writing, the Borrower will provide to the TIFIA Lender (x) copies of any proposed amendments, modifications, replacements of, or supplements to any Related Document at least thirty (30) days prior to the effective date thereof and (y) complete, correct and fully executed copies of any amendment, modification or supplement to any Related Document within five (5) Business Days after execution thereof.

(c) No Prohibited Liens. Except for Permitted Liens, the Borrower shall not create, incur, assume or permit to exist any Lien on the Project, the Revenues, the Trust Estate or the Borrower's respective rights therein. Except for Liens permitted under the 1988 Trust Agreement and Supplemental Agreement No. 27, the Borrower shall not create, incur, assume or permit to exist any Lien on the Pledged TTF Revenues. The Borrower shall not collaterally (and shall not permit DelDOT to) assign any of its rights under or pursuant to any Principal Project Contract and shall not permit a Lien to encumber the Borrower's or DelDOT's rights or privileges under any Principal Project Contract, unless pursuant to the Indenture Documents in favor of the Trustee on behalf of the Secured Parties.

(d) Reduction to Tolls. The Borrower shall not lower Tolls unless the Borrower demonstrates to the reasonable satisfaction of the TIFIA Lender, based on a traffic report prepared by the Traffic Consultant that specifically so concludes, that one or more Tolls set lower than the current applicable Tolls would be likely to produce either (i) more Net Toll Revenues as than the current applicable Tolls or (ii) Net Toll Revenues that result, for each Borrower Fiscal Year, in a Total Debt Service Coverage Ratio of at least equal to 1.20.

(e) Additional Project Contracts. The Borrower shall not, without the prior written consent of the TIFIA Lender, enter into any Additional Project Contract (or series of related contracts) that commits the Borrower to spend, or is reasonably expected to involve expenditures by the Borrower of, amounts that exceed, in the aggregate, $10,000,000 in any Borrower Fiscal Year and that are not reflected in the Project Budget as of the Effective Date for such Borrower Fiscal Year.

(f) No Prohibited Sale, Lease or Assignment. The Borrower shall not sell, lease or assign its rights in and to the Project, the Revenues or the Transportation Trust Fund, a substantial portion of the assets included in the Project or the Transportation Trust Fund, or its rights and obligations under any Related Document, in each case unless such sale, lease or assignment (i) could not reasonably be expected to result in a Material Adverse Effect and (ii) is made by the Borrower in the ordinary course of business.

(g) Organizational Documents; Borrower Fiscal Year. The Borrower shall not at any time (i) amend or modify its Organizational Documents (other than any amendment or modification that is of a ministerial nature and that is not adverse to the interests of any Secured Party under the Indenture Documents or in the Trust Estate or the Pledged TTF Revenues) without the prior written consent of the TIFIA Lender or (ii) adopt any fiscal year other than the Borrower Fiscal Year, except with thirty (30) days' prior written notice to the TIFIA Lender.

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(h) Transactions with other Governmental Authorities. Except for the transactions expressly contemplated in the Principal Project Contracts and the other Related Documents, the Borrower shall not (and shall cause DelDOT not to) (i) sell or transfer any property or assets constituting part of the Project or the Transportation Trust Fund to any other Person, (ii) purchase or acquire property or assets of any other Person, or (iii) otherwise engage in any transactions with any other Person in connection with the Project or the Transportation Trust Fund (including the Governmental Authorities of the State), in each case of clause (i), (ii) and (iii) above the terms and provisions of which are materially adverse to the Borrower, the Project or the Transportation Trust Fund or that could reasonably be expected to result in a Material Adverse Effect.

(i) No Payment with Federal Funds. The Borrower will not pay any portion of TIFIA Debt Service nor any other amount to the TIFIA Lender or the Government pursuant to the TIFIA Loan Documents with funds received directly or indirectly from the Government.

(j) Change in Legal Structure; Mergers and Acquisitions. The Borrower shall not, and shall not agree to, (i) acquire by purchase or otherwise the business, property or fixed assets of, or equity interests or other evidence of beneficial ownership interests in, any Person, other

than purchases or other acquisitions of inventory or materials or spare parts or Capital Expenditures, each in the ordinary course of business in compliance with the annual budget set forth in the Financial Plan most recently approved by the TIFIA Lender; or (ii) reorganize, consolidate with or merge into another Person unless (A) such merger or consolidation is with or into another entity established and Controlled by the State, and in each case, including reorganization, does not adversely affect or impair to any extent or in any manner (1) the Revenues, the other elements of the Trust Estate or the Pledged TTF Revenues, or (2) the availability of the Revenues for the payment and security of the obligations of the Borrower under this Agreement, and (B) the Borrower provides to the TIFIA Lender, no later than sixty (60) days prior to the date of reorganization, consolidation or merger, prior written notice of such reorganization, consolidation or merger and the agreements and documents authorizing the reorganization, consolidation or merger, satisfactory in form and substance to the TIFIA Lender. The documents authorizing any reorganization, consolidation or merger shall contain a provision, satisfactory in form and substance to the TIFIA Lender, that, following such reorganization, consolidation or merger, the successor will assume, by operation of law or otherwise, the due and punctual performance and observance of all of the representations, warranties, covenants, agreements and conditions of this Agreement and the other Related Documents to which the Borrower is a party. In addition, the Borrower shall provide any and all information concerning such reorganization, consolidation or merger as shall have been reasonably requested by the TIFIA Lender.

(k) No Defeasance. The Borrower shall not defease the TIFIA Bond without the prior written consent of the TIFIA Lender

(l) OFAC Compliance. The Borrower shall not (i) violate (A) any applicable anti-money laundering laws, including those contained in the Bank Secrecy Act and the Patriot Act, (B) any applicable economic sanction laws administered by OFAC or by the United States Department of State, or (C) any applicable anti-drug trafficking, anti-terrorism, or anti-corruption laws, civil or criminal; or (ii) be a Person (A) that is charged with or has received notice from a Governmental Authority that it is under investigation for, any violation of any such laws, (B) that is convicted of any violation of, is subject to civil or criminal penalties pursuant to, has any of its property seized or forfeited, or enters into any agreement with the Government or a state or local government related to violations of, any such laws, (C) that is named on the list of "Special Designated Nationals and Blocked Persons" maintained by OFAC (or any successor Government office or list), or any similar list maintained by the United States Department of State (or any successor Government office or list), (D) with whom any U.S. Person (as defined in the applicable OFAC regulations) is prohibited from transacting business of the type contemplated by this Agreement and the other Related Documents under any other applicable law, (E) that is owned, Controlled by, or affiliated with any Person identified in clause (A), (B), (C) or (D) of this clause (ii), or (F) that is in violation of any obligation to maintain appropriate internal controls as required by the governing laws of the jurisdiction of such Person as are necessary to ensure compliance with the economic sanctions, anti-money laundering and anti-corruption laws of the United States of America and the jurisdiction where the Person resides, is domiciled or has its principal place of business. The Borrower shall not knowingly make a payment, directly or indirectly, to any Principal Project Party that has violated any of the laws referenced in clause (i) of the preceding sentence or that is a Person described in clause (ii) of the preceding sentence..

(m) Hedging. Other than interest rate hedging transactions expressly permitted hereunder, the Borrower shall not enter into any swap or hedging transaction, including inflation indexed swap transactions, "cap" or "collar" transactions, futures, or any other hedging transaction without the prior written consent of the TIFIA Lender.

(n) Additional Projects. The Borrower shall not construct, operate, or enter into any agreement permitting or facilitating the construction or operation of, any project (other than the Project) the costs of which (including debt service in respect of any indebtedness incurred for such project) will be paid by Revenues or other amounts or property included in the Trust Estate; provided, that this Section 17(n) shall not restrict projects of the Borrower paid for with amounts from (i) amounts on deposit in the Transportation Trust Fund or (ii) the proceeds of indebtedness that will be repaid from amounts on deposit in the Transportation Trust Fund.

(o) Transportation Trust Fund. The Borrower shall not take any actions (or fail to take any actions) that are designed, or that are reasonably likely, to result in the Transportation Trust Fund failing to have sufficient funds as and when needed to make any transfers from the Transportation Trust Fund to the TIFIA Debt Service Fund pursuant to Section 4.2 of the Indenture to cause the TIFIA Debt Service Fund to hold the full amount of funds required to be on deposit therein as of any applicable date.

SECTION 18. Indemnification. The Borrower shall indemnify the TIFIA Lender and any official, employee, agent or representative of the TIFIA Lender (each such Person being herein referred to as an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, fines, penalties, costs and expenses (including the fees, charges and disbursements of any counsel for any Indemnitee and the costs of environmental remediation), whether known, unknown, contingent or otherwise, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (a) the execution, delivery and performance of this Agreement or any of the other Related Documents, (b) the TIFIA Loan or the use of the proceeds thereof, or (c) the violation of any law, rule, regulation, order, decree, judgment or administrative decision relating to the environment, the preservation or reclamation of natural resources, the management, release or threatened release of any hazardous material or to health and safety matters; in each case arising out of or in direct relation to the Project; provided, that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities, fines, penalties, costs or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. In case any action or proceeding is brought against an Indemnitee by reason of any claim with respect to which such Indemnitee is entitled to indemnification hereunder, the Borrower shall be entitled, at its expense, to participate in the defense thereof; provided, that such Indemnitee has the right to retain its own counsel, at the Borrower's expense, and such participation by the Borrower in the defense thereof shall not release the Borrower of any liability that it may have to such Indemnitee. Any Indemnitee against whom any indemnity claim contemplated in this Section 18 is made shall be entitled, after consultation with the Borrower and upon consultation with legal counsel wherein such Indemnitee is advised that such indemnity claim is meritorious, to compromise or settle any such indemnity claim. Any such compromise or settlement shall be binding upon the Borrower for purposes of this Section 18. Nothing herein shall be construed as

a waiver of any legal immunity that may be available to any Indemnitee or as a waiver of any legal immunity that may be available to the Borrower in respect of claims made by any Person other than an Indemnitee. To the extent permitted by applicable law, neither the Borrower nor the TIFIA Lender shall assert, and each of the Borrower and the TIFIA Lender hereby waives, any claim against any Indemnitee or the Borrower, respectively, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any of the other Related Documents, the TIFIA Loan and the other transactions contemplated hereby and thereby, or the use of the proceeds thereof, provided that nothing in this sentence shall limit the Borrower's indemnity obligations to the extent such damages are included in any third party claim in connection with which an Indemnitee is entitled to indemnification hereunder. All amounts due to any Indemnitee under this Section 18 shall be payable promptly upon demand therefor. The obligations of the Borrower under this Section 18 shall survive the payment or prepayment in full or transfer of the TIFIA Bond, the enforcement of any provision of this Agreement or the other Related Documents, any amendments, waivers (other than amendments or waivers in writing with respect to this Section 18) or consents in respect hereof or thereof, any Event of Default, and any workout, restructuring or similar arrangement of the obligations of the Borrower hereunder or thereunder.

SECTION 19. Sale of TIFIA Loan. The TIFIA Lender shall not sell the TIFIA Loan at any time prior to the Substantial Completion Date. After such date, the TIFIA Lender may sell the TIFIA Loan to another entity or reoffer the TIFIA Loan into the capital markets only in accordance with the provisions of this Section 19. Such sale or reoffering shall be on such terms as the TIFIA Lender shall deem advisable. However, in making such sale or reoffering the TIFIA Lender shall not change the terms and conditions of the TIFIA Loan without the prior written consent of the Borrower in accordance with Section 30 (*Amendments and Waivers*). The TIFIA Lender shall provide at least sixty (60) days prior to any sale or reoffering of the TIFIA Loan, written notice to the Borrower of the TIFIA Lender's intention to consummate such a sale or reoffering; provided, however, that no such notice shall be required during the continuation of any Event of Default. The provision of any notice pursuant to this Section 19 shall not (x) obligate the TIFIA Lender to sell, nor (y) provide the Borrower with any rights or remedies in the event the TIFIA Lender, for any reason, does not sell the TIFIA Loan. The TIFIA Lender and the Borrower agree that for so long as any Senior Obligations or Hedging Agreements remain outstanding, the provisions contained in Section 8(a) (*Security and Priority; Flow of Funds*) hereof and in the Indenture Documents with respect to the TIFIA Lender's right to a first priority security interest in the Trust Estate upon the occurrence of a Bankruptcy Related Event with respect to the Borrower shall be of no force or effect following the complete sale of the TIFIA Loan to a commercial entity. However, should an assignment or sale be made to a federal government agency or instrumentality, the federal government shall retain the right to a first priority security interest in the Trust Estate upon the occurrence of any Bankruptcy Related Event with respect to the Borrower.

SECTION 20. Events of Default and Remedies.

(a) An "**Event of Default**" shall exist under this Agreement if any of the following occurs:

(i) Payment Default. The Borrower shall fail to pay any of the principal amount of or interest on the TIFIA Loan (including TIFIA Debt Service required to have been paid pursuant to the provisions of Section 9 (*Payment of Principal and Interest*), and any mandatory prepayment required pursuant to the provisions of Section 10(a) (*Mandatory Prepayments*)), when and as the payment thereof shall be required under this Agreement or the TIFIA Bond or on the Final Maturity Date (each such failure, a "**Payment Default**").

(ii) Covenant Default. The Borrower shall fail to observe or perform any covenant, agreement or obligation of the Borrower under this Agreement, the TIFIA Bond, the TIFIA Supplemental Indenture or Supplemental Agreement No. 27 (other than in the case of any Payment Default or any Development Default), and such failure shall not be cured within thirty (30) days after the earlier to occur of (A) receipt by the Borrower from the TIFIA Lender of written notice thereof or (B) the Borrower's knowledge of such failure; provided, however, that if such failure is capable of cure but cannot reasonably be cured within such thirty (30) day cure period, then no Event of Default shall be deemed to have occurred or be continuing under this clause (ii) and such thirty (30) day cure period shall be extended by up to one hundred fifty (150) additional days, if and so long as (x) within such thirty (30) day cure period, the Borrower shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured, and (y) such failure is cured within one hundred eighty (180) days of the date specified in either (A) or (B) above, as applicable.

(iii) Development Default. A Development Default shall occur, in which case the TIFIA Lender may (A) suspend the disbursement of TIFIA Loan proceeds under this Agreement and (B) pursue such other remedies as provided in this Section 20. If so requested by the TIFIA Lender in connection with a Development Default, the Borrower shall immediately repay any unexpended TIFIA Loan proceeds previously disbursed to the Borrower.

(iv) Misrepresentation Default. Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to this Agreement or any of the other TIFIA Loan Documents (or in any certificates delivered by the Borrower in connection with the TIFIA Loan Documents) shall prove to have been false or misleading in any material respect when made or deemed made (or any representation and warranty that is subject to a materiality qualifier shall prove to have been false or misleading in any respect); provided, that no Event of Default shall be deemed to have occurred under this clause (iv) if and so long as (A) such misrepresentation is not intentional, (B) such misrepresentation is not a misrepresentation in respect of Section 14(h) (*No Debarment*), Section 14(j) (*Compliance with Federal Requirements*), Section 14(k) (*Transportation Improvement Program*), Section 14(q) (*OFAC: Anti-Corruption Laws*), or Section 14(ee) (*Patriot Act*), (C) in the reasonable determination of the TIFIA Lender, such misrepresentation has not had, and would not reasonably be expected to result in, a Material Adverse Effect, (D) in the reasonable determination of the TIFIA Lender, the facts, events and circumstances resulting in such misrepresentation are capable of being cured, (E) the facts, events and circumstances resulting in such misrepresentation are cured by the Borrower within thirty (30) days from the date on which the Borrower first became aware (or reasonably should have become aware) of such misrepresentation, and (F) the Borrower diligently pursues such cure during such thirty (30) day period.

(v) Payment Default under Senior Obligations or Pari Passu Obligations. The Borrower shall fail to pay any of the principal (or Accreted Amount, as applicable) amount of or interest on the Senior Obligation or Pari Passu Obligation and the Borrower shall fail to cure such non-payment within the cure period provided under the applicable Indenture Documents, or any such Senior Obligation or Pari Passu Obligation shall not be paid in full upon the final maturity thereof.

(vi) Cross Default.

(A) Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to the Indenture or any Supplemental Indenture (other than the TIFIA Supplemental Indenture) shall prove to be false or misleading in any material respect (each an "**Other Indebtedness Misrepresentation Default**"), or any default shall occur in respect of the performance of any covenant, agreement or obligation of the Borrower under the Indenture or any Supplemental Indenture (other than the TIFIA Supplemental Indenture), and such default shall be continuing after the giving of any applicable notice and the expiration of any applicable grace period specified in the Indenture or such Supplemental Indenture (as the case may be) with respect to such default (each an "**Other Indebtedness Covenant Default**"), if the effect of such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default shall constitute an event of default with respect to any or all of the Senior Obligations or the Pari Passu Obligations, as the case may be, and, in the case of any such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default, the Borrower shall have failed to cure such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default or to obtain an effective written waiver thereof in accordance with the terms of such Senior Obligations or Pari Passu Obligations.

(B) The Borrower or DelDOT shall default in the timely performance of any covenant, agreement or obligation under any Principal Project Contract or any Related Document shall be terminated prior to its scheduled expiration (unless in any case such default or termination could not reasonably be expected to have a Material Adverse Effect), and the Borrower or DelDOT shall have failed to cure such default or to obtain an effective written waiver or revocation thereof prior to the expiration of the applicable grace period specified in any such Related Document, or to obtain an effective revocation of such termination (as the case may be); provided, however, that no Event of Default shall be deemed to have occurred or be continuing under this clause if, in the case of any termination of a Principal Project Contract, the Borrower or DelDOT replaces such Principal Project Contract with a replacement agreement (1) entered into with another counterparty that (I) is of similar or greater creditworthiness and experience as the counterparty being replaced was at the time the applicable Principal Project Contract was originally executed (or otherwise reasonably acceptable to the TIFIA Lender) and (II) is not, at the time of such replacement, suspended or debarred or subject to a proceeding to suspend or debar from bidding, proposing or contracting with any federal or state department or agency, (2) on substantially the same terms and conditions as the Principal Project Contract being replaced (or otherwise reasonably acceptable to the TIFIA Lender) and (3) effective as of the date of termination of the Principal Project Contract being replaced.

(vii) Judgments. One or more judgments (A) for the payment of money in an aggregate amount in excess of $1,000,000 (inflated annually by CPI) that are payable from Revenues and are not otherwise fully covered by insurance for which the insurer has acknowledged and not disputed coverage or (B) that would reasonably be expected to result in a Material Adverse Effect shall, in either case, be rendered against the Borrower, and the same shall remain undischarged for a period of thirty (30) consecutive days during which time period execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower to enforce any such judgment.

(viii) Failure to Maintain Existence. The Borrower shall fail to maintain its existence as a public instrumentality and body corporate and politic of the State, unless at or prior to the time the Borrower ceases to exist in such form a successor public agency or governing body has been created by the State pursuant to a valid and unchallenged State law and has succeeded to the assets of the Borrower and has assumed all of the obligations of the Borrower under the TIFIA Loan Documents and the Indenture Documents, including the payment of all Secured Obligations.

(ix) Occurrence of a Bankruptcy Related Event.

(A) A Bankruptcy Related Event shall occur with respect to the Borrower or DelDOT; or

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(B) a Bankruptcy Related Event shall occur with respect to any Principal Project Party or any letter of credit issuer with respect to any Principal Project Party's obligations under any Principal Project Contract; provided, that no Event of Default shall be deemed to have occurred or be continuing under this clause (B) if:

(1) with respect to a Bankruptcy Related Event of any letter of credit issuer, such letter of credit issuer is replaced by a new issuer that is a Qualified Issuer within ten (10) Business Days after the occurrence of such Bankruptcy Related Event; or

(2) with respect to a Bankruptcy Related Event of a Principal Project Party, such Principal Project Party is replaced within ninety (90) days after the occurrence of such Bankruptcy Related Event by a new Principal Project Party that (I) possesses similar or greater creditworthiness (including credit support), technical capability and relevant experience as the counterparty being replaced, considered as of the time the applicable Principal Project Contract was executed, as certified by the Engineering Consultant (or otherwise reasonably acceptable to the TIFIA Lender), (II) is not, at the time of such replacement, suspended or debarred or subject to a proceeding to suspend or debar from bidding, proposing or contracting with any federal or state department or agency, (III) is not, at the time of such replacement, in violation of any applicable laws referenced in Section 14(q) (*OFAC; Anti-Corruption Laws*), and is in compliance with all applicable laws referenced in Section 14(r) (*Compliance with Law*) and Section 14(s) (*Environmental Matters*), (IV) is bound under a contract containing substantially the same terms and conditions as the Principal Project Contract being replaced (or otherwise reasonably acceptable to the TIFIA Lender), and (V) is capable (in the TIFIA Lender's reasonable determination, in consultation with the Engineering Consultant) of completing the

scope of work of the replaced Principal Project Party in such a manner so that the applicable Segment(s) and the Project are reasonably expected to be completed in accordance with the Construction Schedule and Project Budget set forth in the Financial Plan most recently approved by the TIFIA Lender.

(x) Project Abandonment. The Borrower shall abandon the Project.

(xi) Invalidity of TIFIA Loan Documents. (A) Any TIFIA Loan Document ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its terms) or becomes void, voidable, illegal or unenforceable, or the Borrower contests in any manner the validity or enforceability of any TIFIA Loan Document to which it is a party or denies it has any further liability under any TIFIA Loan Document to which it is a party, or purports to revoke, terminate or rescind any TIFIA Loan Document to which it is a party, or (B) any Indenture Document ceases (other than as expressly permitted thereunder) to be effective or to grant a valid and binding security interest on any material portion of the Trust Estate or the Pledged TTF Revenues other than as a result of actions or a failure to act by and within the control of the Trustee or any Secured Party, and with the priority purported to be created thereby.

(xii) Cessation of Operations. Operation of the Project shall cease for a continuous period of not less than one hundred eighty (180) days unless such cessation of operations shall occur by reason of an Uncontrollable Force that is not due to the fault of the Borrower (and which the Borrower could not reasonably have avoided or mitigated) and the Borrower shall either be self-insured in an amount sufficient to cover, or shall have in force an insurance policy or policies under which the Borrower is entitled to recover amounts sufficient to pay (and may use such amounts to pay) all Annual Debt Service, all TIFIA Debt Service, debt service in respect of any Pari Passu Obligations, and all costs and expenses of the Borrower during such cessation of operations.

(b) Upon the occurrence of an Event of Default described in Section 20(a)(iii) (*Development Default*), all obligations of the TIFIA Lender hereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loan shall immediately be deemed terminated.

(c) (i) Upon the occurrence of any Bankruptcy Related Event with respect to the Borrower, (A) all obligations of the TIFIA Lender hereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loan shall automatically be deemed terminated, and (B) solely to the extent permitted under the Indenture Documents, the Outstanding TIFIA Loan Balance, together with all interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under this Agreement, the TIFIA Bond or the other TIFIA Loan Documents, shall become due and payable (to the extent so provided, without presentment, demand, notice, protest or other requirements of any kind).

(ii) Upon the occurrence of any other Event of Default, the TIFIA Lender, by written notice to the Borrower, may (A) suspend or terminate all of its obligations hereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loan and (B) solely to the extent permitted under the Indenture Documents, declare the Outstanding TIFIA Loan Balance to be due and payable, together with all interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under this Agreement, the TIFIA Bond or the other TIFIA Loan Documents (to the extent so provided, without presentment, demand, notice, protest or other requirements of any kind).

(d) Whenever any Event of Default hereunder shall have occurred and be continuing, the TIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid hereunder or under the TIFIA Bond or the other TIFIA Loan Documents (other than principal of and interest on the TIFIA Bond for so long as no acceleration has occurred with respect to the Senior Obligations, Pari Passu Obligations or other indebtedness of the Borrower issued under the Indenture Documents), and may prosecute any such judgment or final decree against the Borrower and collect in the manner provided by law out of the property of the Borrower the moneys adjudged or decreed to be payable, and the TIFIA Lender shall have all of the rights and remedies of a creditor, including all rights and remedies of a secured creditor under the Uniform Commercial Code, and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by Borrower under this Agreement, the TIFIA Bond or the other TIFIA Loan Documents then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement, the TIFIA Bond or the other TIFIA Loan Documents; provided, however, that notwithstanding the foregoing, the TIFIA Lender may not pursue any remedies in respect of an Event of Default that constitutes an event of default under the Indenture in a manner that is inconsistent with the requirements of the Indenture.

(e) Whenever any Event of Default hereunder shall have occurred and be continuing, the TIFIA Lender may suspend or debar the Borrower from further participation in any Government program administered by the TIFIA Lender and to notify other departments and agencies of such default.

(f) No action taken pursuant to this Section 20 shall relieve Borrower from its obligations pursuant to this Agreement, the TIFIA Bond or the other TIFIA Loan Documents, all of which shall survive any such action.

SECTION 21. Accounting and Audit Procedures; Inspections; Reports and Records.

(a) The Borrower shall establish fiscal controls and accounting procedures sufficient to assure proper accounting for all Project-related transactions (including collection of Revenues, and any other revenues attributable to the Project, and TIFIA Loan requisitions received and disbursements made with regard to the Project), so that audits may be performed to ensure compliance with and enforcement of this Agreement. The Borrower shall use accounting, audit and fiscal procedures conforming to GAAP, including, with respect to the TIFIA Loan, accounting of principal and interest payments, disbursements, prepayments and calculation of interest and principal amounts outstanding.

(b) So long as the TIFIA Loan or any portion thereof shall remain outstanding and until five (5) years after the TIFIA Loan shall have been paid in full, the TIFIA Lender shall have the right, upon reasonable prior notice, to visit and inspect any of the locations or properties of the Borrower, to examine its books of account and records, to make copies and extracts therefrom at the Borrower's expense, and to discuss the Borrower's affairs, finances and accounts with, and to be advised as to the same by, its officers and employees and its independent public accountants (and by this provision the Borrower irrevocably authorizes its independent public accountants to discuss with the TIFIA Lender the affairs, finances and accounts of the Borrower, whether or not any representative of the Borrower is present, it being understood that nothing contained in this Section 21(b) is intended to confer any right to exclude any such representative from such discussions), all at such reasonable times and intervals as the TIFIA Lender may desire. The Borrower agrees to pay all out-of-pocket expenses incurred by the TIFIA Lender in connection with the TIFIA Lender's exercise of its rights under this Section 21(b) at any time when an Event of Default shall have occurred and be continuing.

(c) The Borrower shall maintain and retain all files relating to the Project, the Transportation Trust Fund, the Revenues and the TIFIA Loan until five (5) years after the later of the date on which (i) all rights and duties hereunder and under the TIFIA Bond (including payments) have been fulfilled and any required audits have been performed, and (ii) any litigation relating to the Project, the Transportation Trust Fund, the Revenues, the TIFIA Loan or this Agreement is finally resolved or, if the TIFIA Lender has reasonable cause to extend such date, a date to be mutually agreed upon by the TIFIA Lender and the Borrower. The Borrower shall provide to the TIFIA Lender in a timely manner all records and documentation relating to the Project, the Transportation Trust Fund or the Revenues that the TIFIA Lender may reasonably request from time to time.

(d) The Borrower shall provide to the TIFIA Lender, promptly after the sending or receipt thereof, copies of (i) final ratings presentations sent to, and any notices, reports or other written materials (other than those that are ministerial in nature) received from, any Nationally Recognized Rating Agency that has provided, or is being requested to provide, a rating with respect to the Project, any indebtedness issued pursuant to the 1988 Trust Agreement or any indebtedness of the Borrower that is or will be secured by or paid from the Revenues, (ii) all notices and other written communications, other than those that are non-substantive or ministerial in nature, received by it from the Trustee or any Bondholder, and (iii) all reports, notices and other written materials, other than those that are non-substantive or ministerial in nature, required to be sent to the Trustee or any Bondholder under the Indenture Documents, including all such notices, other than those that are non-substantive or ministerial in nature, relating to any of the Principal Project Contracts; unless, in each case, the TIFIA Lender notifies the Borrower that any such reports, notices and/or other written materials no longer need to be provided.

(e) The Borrower shall have a single or program-specific audit conducted in accordance with 2 C.F.R. Part 200 Subpart F and 31 U.S.C. § 7502 in calendar year 2016 and annually thereafter, except to the extent biennial audits are permitted for the Borrower pursuant to 2 C.F.R. § 200.504 and 31 U.S.C. § 7502(b). Upon reasonable notice, the Borrower shall cooperate fully in the conduct of any periodic or compliance audits conducted by the TIFIA

Lender, the USDOT, or designees thereof, pursuant to 49 C.F.R. § 80.19, 31 U.S.C. § 7503(b), or 31 U.S.C. § 6503(h) and shall provide full access to any books, documents, papers or other records that are pertinent to the Project or the TIFIA Loan, to the Secretary, or the designee thereof, for any such project or programmatic audit.

SECTION 22. Financial Plan, Statements, and Reports.

(a) Financial Plan. The Borrower shall provide to the TIFIA Lender and the FHWA Division Office, within sixty (60) days after the Effective Date and annually thereafter not later than ninety (90) days after the beginning of each Borrower Fiscal Year, a Financial Plan. The Financial Plan submitted within sixty (60) days after the Effective Date should be consistent in all respects with the projections, assumptions and other information contained or reflected in the Base Case Financial Model. The Financial Plan shall not reflect amortization of Senior Obligations until such time as all currently accruing interest on the TIFIA Loan is being paid in full. The initial and each subsequent Financial Plan delivered hereunder shall be subject to approval by the TIFIA Lender, the FHWA Division Office and, for the period through the Substantial Completion Date, FHWA's Office of Innovative Program Delivery. The approval by the TIFIA Lender and the FHWA Division Office of such Financial Plan is required prior to the use of any proceeds of the TIFIA Loan or GARVEE Bonds for construction the Project.

(i) The Financial Plan shall be prepared in accordance with recognized financial reporting standards, such as those in the "Guide for Prospective Financial Information" of the American Institute of Certified Public Accountants, shall meet FHWA's Major Project Financial Plan requirements, as amended from time to time, and shall be in form and substance satisfactory to the TIFIA Lender.

(ii) The Financial Plan shall include: (A) a certificate signed by the Borrower's Authorized Representative to the effect that the Financial Plan, including the assumptions and supporting documentation, is accurate and reasonable to the best of the Borrower's knowledge and belief; (B) a certificate signed by the Borrower's Authorized Representative demonstrating that projected annual Revenues shall be sufficient to meet the Loan Amortization Schedule and to meet the Rate Coverage Test established pursuant to Section 16(l) (*Rate Coverage*); (C) an electronic copy of a Revised Financial Model for the period from the Effective Date through the Final Maturity Date, in substantially the form of the Base Case Financial Model, based upon assumptions and projections with respect to the Revenues, expenses and other financial aspects of the Project that shall reflect the prior experience and current status of the Project, and the expectations of the Borrower with respect to the Project, as of the most recent practicable date prior to the delivery of such Revised Financial Model; and (D) any supporting documentation prepared by the Traffic Consultant, the Engineering Consultant, or any other consultant to the Borrower in connection with the Revised Financial Model or the Financial Plan.

(iii) For the period through the Substantial Completion Date, the Financial Plan shall: (A) provide the current estimate of Total Project Costs and the remaining cost to complete the Project, identify any significant cost changes since the previous Financial Plan, discuss reasons for and implications of the cost changes, and include a summary table showing the history of Total Project Costs by major activity or category in comparison to the Base Case

Financial Model and the preceding Financial Plan; (B) provide updates to the Construction Schedule, including (1) an update, if any, to the Projected Substantial Completion Date and an explanation of any such adjustment, and (2) an update, if any, to the Final Maturity Date (but in no event shall the Final Maturity Date be later than the date that is thirty-five (35) years following the Substantial Completion Date); (C) identify major milestones for each phase of the Project and compare current milestone dates with the milestone dates in the Construction Schedule in the preceding Financial Plan, and discuss reasons for changes in Project milestones; (D) provide current estimates of sources and uses of funds for the Project, identify any significant funding changes since the preceding Financial Plan, discuss reasons for and implications of the funding changes, and include a summary table showing the history of Project funding in comparison to the Base Case Financial Model since the preceding Financial Plan; (E) provide an updated cash flow schedule showing annual cash needs versus available revenue and funding to meet those needs and identify any potential revenue and funding shortfalls, and addressing contingency measures that will or may be taken to address any shortfalls; (F) based on the updated cash flow schedule, provide projected Total Debt Service Coverage Ratios through the Final Maturity Date; (G) provide cost containment strategies and risk mitigation plans that have been or may be implemented to address factors that are affecting or could affect the scheduled completion or financial viability of the Project; (H) provide the total value of approved changes in Project design or scope, and provide a listing of each individual change valued at $5,000,000 or more, setting forth the rationale or need for the proposed change and describing the impact of such change on the Project; (I) to the extent that any Hedging Transactions are then in effect, report on the notional amounts covered by such Hedging Transactions; (J) contain, in form and substance satisfactory to the TIFIA Lender, a written narrative executive summary of the topics described in clauses (A) through (I) above since the Effective Date and since the preceding Financial Plan, describing in reasonable detail all material matters that may affect the future performance of the Borrower's obligations under this Agreement, including any adjustment to the Projected Substantial Completion Date, and the causes thereof; and (K) comply in all respects with FHWA's Major Project Financial Plan requirements.

(iv) For the period following the Substantial Completion Date until repayment of the TIFIA Loan in full, the Financial Plan shall: (A) provide an updated cash flow schedule showing annual cash inflows (Revenues, interest and other income) and outflows (Current Expenses, Major Maintenance Costs, Capital Expenditures, Annual Debt Service, TIFIA Debt Service, replenishment of reserves and other uses) with a narrative identifying any potential revenue or funding shortfall and discussing contingency measures that will or may be taken to address any shortfalls; (B) report on variances during the prior Borrower Fiscal Year between the actual Current Expenses and Major Maintenance Costs incurred and the budgeted Current Expenses and Major Maintenance Costs as shown in the Financial Plan for such prior Borrower Fiscal Year, together with a brief narrative explanation of the reasons for any such variance or more; (C) provide current and estimated amounts of Revenues received and the amounts deposited into each of the accounts and subaccounts established under the Indenture Documents and the amount disbursed from such funds and accounts and the balance in each of the funds and accounts; (D) provide an updated budget for Current Expenses and Major Maintenance Costs for the current Borrower Fiscal Year; (E) provide an updated schedule of actual and projected

Revenues, showing actual and projected Total Debt Service Coverage Ratios, and report on variances during the prior Borrower Fiscal Year between the Revenues actually received and the budgeted Revenues as shown in the Financial Plan for such prior Borrower Fiscal Year, together with a brief narrative explanation of the reasons for any such variance of ten percent (10%) or more; (F) provide a schedule of then current toll rates, receipts, and charges and all returns, fees or moneys constituting Revenues and planned increases thereto with respect to the Project; (G) to the extent that any Hedging Transactions are then in effect, report on the notional amounts and mark to market values under such Hedging Transactions; and (H) contain, in form and substance satisfactory to the TIFIA Lender, a written narrative executive summary of the topics described in clauses (A) through (G) above since the Effective Date and since the preceding Financial Plan, including in reasonable detail (i) an explanation of any variances in costs or revenues in comparison to the Base Case Financial Model and the preceding Financial Plan, and (ii) a description of any material matters that may affect the future performance of the Borrower's obligations under this Agreement and the causes thereof, including traffic and revenue reports, operational contracts, and third-party transactions.

(b) Post-Substantial Completion Report. Not later than ninety (90) days following the Substantial Completion Date, the Borrower shall provide the TIFIA Lender with a final written narrative report, summarizing all significant activities and events, since delivery of the Base Case Financial Model, affecting the operation, maintenance, financing, or management of the Project in a form reasonably satisfactory to the TIFIA Lender. Such report shall include an updated cash flow schedule and currently projected Total Debt Service Coverage Ratios as of each Calculation Date from and after the date of such report through the Final Maturity Date. For the avoidance of doubt, the Borrower must comply with the continued reporting requirements of the FHWA Major Projects Financial Plan Guidance, as amended from time to time.

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(c) Modification to Total Project Costs. For the period through the Substantial Completion Date, the Borrower shall provide the TIFIA Lender with written notification at least thirty (30) days prior to instituting any increase or decrease to the aggregate Total Project Costs in an amount equal to or greater than ten percent (10%) of total Project Costs as of such date, which notification shall set forth the nature of the proposed increase or decrease and an estimate of the impact of such increase or decrease on the capital costs and operating costs of the Project, and the Financial Plan. The Borrower's notice shall demonstrate that the proposed increase or decrease is consistent with the provisions of this Agreement, is necessary or beneficial to the Project, does not materially impair the TIFIA Lender's security or the Borrower's ability to comply with its obligations under the Related Documents (including any financial ratios or covenants included therein), and could not reasonably be expected to result in a Material Adverse Effect.

(d) Financial Statements. The Borrower shall furnish to the TIFIA Lender:

(i) (A) as soon as available, but no later than ninety (90) days after the end of the first (1^{st}), second (2^{nd}) and third (3^{rd}) quarterly period of each Borrower Fiscal Year, an unaudited income statement and balance sheet of the Borrower as of the end of such period and the related unaudited statements of operations and of cash flow of the Borrower for such period

and for the portion of the fiscal year through the end of such period, setting forth in each case in comparative form the figures for the previous period, certified by the chief executive officer or chief financial officer of the Borrower or any Borrower's Authorized Representative as fairly stating in all material respects the financial condition of the Borrower as at the end of such period and the results of its operations and its cash flows for such period (subject to normal year-end audit adjustments); and

(B) as soon as available, but no later than one hundred eighty (180) days after the end of each Borrower Fiscal Year, a copy of the audited income statement and balance sheet of the Borrower as of the end of such fiscal year and the related audited statements of operations and cash flow of the Borrower for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, certified without a "going concern" or like qualification or exception, or qualification as to the scope of the audit, by an independent public accounting firm selected by the Borrower and which is reasonably acceptable to the TIFIA Lender.

(ii) All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP (or in the case of non-U.S. Persons, substantially equivalent principles) applied consistently throughout the periods reflected therein (except for changes approved or required by the independent public accountants certifying such statements and disclosed therein).

(e) Officer's Certificate. The Borrower shall furnish to the TIFIA Lender, together with each delivery of annual audited or interim unaudited financial statements of the Borrower pursuant to Section 22(d) (*Financial Statements*), a certificate signed by the chief executive officer or chief financial officer of the Borrower or any Borrower's Authorized Representative, stating whether or not, to the Borrower's knowledge, during the quarterly or annual period (as the case may be) covered by such financial statements, there occurred any Event of Default or event that, with the giving of notice or the passage of time or both, would become an Event of Default, and, if any such Event of Default or other event shall have occurred during such period, the nature of such Event of Default or other event and the actions that the Borrower has taken or intends to take in respect thereof.

SECTION 23. Project Oversight and Monitoring.

(a) Project Development, Design and Construction. The TIFIA Lender shall have the right in its sole discretion to monitor (or direct its agents to monitor) the development, including environmental compliance, design, right-of-way acquisition, and construction of the Project. DelDOT shall be responsible for administering construction oversight of the Project in accordance with the FHWA Oversight Agreement. DelDOT's oversight of Project development, environmental compliance, design, right-of-way acquisition, and construction monitoring shall be conducted pursuant to the FHWA Oversight Agreement, which may be amended from time to time upon mutual agreement of DelDOT and the FHWA Division Office, or when so required by federal statute or otherwise required by the Congress. The Borrower agrees to cooperate in good faith with the TIFIA Lender in the conduct of such monitoring by promptly providing the TIFIA Lender with such reports, documentation or other information as shall be requested by the TIFIA

Lender, or its agents, including any Engineering Consultant reports, documentation or information.

(b) Reporting. The Borrower shall furnish to the TIFIA Lender the documentation described below.

(i) Monthly Construction Progress Report. On or before the last Business Day of any calendar month during the Construction Period, the Borrower shall deliver to the TIFIA Lender a report executed by a Borrower's Authorized Representative that (A) specifies the amount of Total Project Costs expended since the Effective Date as well as during the preceding calendar month and the amount of Total Project Costs estimated to be required to complete the Project, (B) provides a demonstration that the Borrower has sufficient funds (including funds on hand and funds obtainable without undue delay or conditions that cannot reasonably be satisfied by the Borrower as and when such funds are needed) to complete the Project, (C) provides an assessment of the overall construction progress of the Project since the date of the last report and since the Effective Date, together with an assessment of how such progress compares to the Construction Schedule, (D) specifies the most recent projections for the Substantial Completion Date as compared to the Projected Substantial Completion Date specified in the Financial Plan most recently approved by the TIFIA Lender, (E) provides a detailed description of all material problems (including actual and anticipated cost and/or schedule overruns, if any) encountered or anticipated in connection with the construction of the Project since the date of the last report, together with an assessment of how such problems may impact the Construction Schedule and the meeting of critical dates thereunder and a detailed description of the proposed solutions to any such problems, (F) specifies the delivery status of major equipment and the effect, if any, that the anticipated delivery dates of such equipment has on the overall Construction Schedule, (G) specifies any proposed or pending change orders, (H) specifies any material changes or deviations from the Borrower's land procurement plans or schedule, (I) includes a copy of each report delivered by a Construction Contractor to the Borrower that has not previously been delivered to the TIFIA Lender in a prior report delivered pursuant to this Section 23(b)(i), and (J) provides a discussion or analysis of such other matters related to the Project as the TIFIA Lender may reasonably request. The Borrower shall respond, and use commercially reasonable efforts to cause the Construction Contractors to respond, to the TIFIA Lender's inquiries regarding such report, the construction of the Project and any Construction Contractor's performance of its obligations under the Construction Agreement to which such Construction Contractor is a party.

(ii) Quarterly Traffic and Operating Report. For the period commencing after the Substantial Completion Date, the Borrower shall deliver to the TIFIA Lender not later than ninety (90) days after the end of each financial quarter, deliver to the TIFIA Lender a traffic and operating report, certified by the Traffic Consultant, showing (A) the operating data for the Project for the previous financial quarter, including total Revenues received and total Current Expenses and Capital Expenditures incurred, (B) the variances for such period between the Revenues actually received and the budgeted Revenues as shown in the Financial Plan most recently approved by the TIFIA Lender, together with a brief narrative explanation of the reasons for any such variance of ten percent (10%) or more, and (C) the variances for such period between the actual Current Expenses incurred and the budgeted Current Expenses as shown in

the Financial Plan, together with a brief narrative explanation of the reasons for any such variance of ten percent (10%) or more.

(iii) DEFAC Summaries. For the period commencing after the Substantial Completion Date, the Borrower shall deliver to the TIFIA Lender not later than three (3) days after each meeting of the Delaware Financial and Economic Advisory Council, a copy of the most recent "DEFAC Summary TTF" reflecting revenue and expenditure summaries and forecasts for the Transportation Trust Fund.

(iv) Information Delivered Pursuant to 1988 Trust Agreement. From and after the Effective Date, the Borrower shall deliver to the TIFIA Lender a copy of each report delivered to the 1988 Trustee pursuant to Section 7.11 of the 1988 Trust Agreement at the same time that it delivers such report to the requesting bondholders pursuant to the 1988 Trust Agreement.

(v) Requested Information. The Borrower shall, at any time while the TIFIA Loan remains outstanding, promptly deliver to the TIFIA Lender such additional information regarding the business, financial, legal or organizational affairs of the Borrower or regarding the Project or the Revenues as the TIFIA Lender may from time to time reasonably request, including copies of agreements related to the acquisition or control of any Project right-of-way.

(c) Project Operations. For the period following the Substantial Completion Date, the TIFIA Lender shall have the right, in its sole discretion, to monitor (or direct its agents to monitor) the Project's operations and, as the TIFIA Lender may request from time to time, to receive reporting on the operation and management of the Project and copies of any contracts relating to the operation, maintenance, and safety services for the Project. The Borrower agrees to cooperate in good faith with the TIFIA Lender in the conduct of such monitoring by promptly providing the TIFIA Lender with such reports, documentation, or other information requested by the TIFIA Lender. The TIFIA Lender has the right, in its sole discretion, to retain a financial oversight advisor, under a contract with the TIFIA Lender, to carry out the provisions of this Section 23, and the full cost of such monitoring shall be borne by the Borrower. Any costs incurred by the TIFIA Lender for such monitoring, including the costs of any financial oversight advisor, shall be promptly reimbursed by the Borrower upon demand therefor in the form of an invoice reasonably acceptable to the Borrower.

(d) Engineering Consultant. The Borrower shall retain an Engineering Consultant throughout the term of this Agreement. The Engineering Consultant shall advise the TIFIA Lender (with a duty of care to the TIFIA Lender) with regard to all technical matters related to the performance by the Borrower of its obligations under this Agreement and the Related Documents. The Borrower may replace the Engineering Consultant, subject to the TIFIA Lender's right to object to any replacement Engineering Consultant in accordance with this Section 23(d). The Borrower shall provide the TIFIA Lender with thirty (30) Business Days advance written notice of any proposed replacement of the Engineering Consultant, together with supporting information concerning the qualifications of the proposed replacement Engineering Consultant. The proposed replacement Engineering Consultant shall become the Engineering Consultant thirty (30) Business Days following the date of the notice provided by the Borrower under this Section 23(d), unless the TIFIA Lender objects in writing within fifteen (15) Business

Days following receipt of the Borrower's notice. Any such objection by the TIFIA Lender shall include a reasonable description of its reasons for objecting to the proposed replacement Engineering Consultant. The Borrower shall pay for all services performed by the Engineering Consultant.

SECTION 24. No Personal Recourse. No official, employee or agent of the TIFIA Lender or the Borrower or any Person executing this Agreement or any of the other TIFIA Loan Documents shall be personally liable on this Agreement or such other TIFIA Loan Documents by reason of the issuance, delivery or execution hereof or thereof.

SECTION 25. No Third Party Rights. The parties hereby agree that this Agreement creates no third party rights against the Borrower, the Government or the TIFIA Lender, solely by virtue of the TIFIA Loan, and the Borrower agrees to indemnify and hold the TIFIA Lender, the Servicer (if any), the Administrator, and the Government harmless, to the extent permitted by law and in accordance with Section 18 (*Indemnification*), from any lawsuit or claim arising in law or equity solely by reason of the TIFIA Loan, and that no third party creditor or creditors of the Borrower shall have any right against the TIFIA Lender with respect to the TIFIA Loan made pursuant to this Agreement.

SECTION 26. Borrower's Authorized Representative. The Borrower shall at all times have appointed a Borrower's Authorized Representative by designating such Person or Persons from time to time to act on the Borrower's behalf pursuant to a written certificate furnished to the TIFIA Lender and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the Borrower.

SECTION 27. TIFIA Lender's Authorized Representative.

(a) The TIFIA Lender shall at all times have appointed the TIFIA Lender's Authorized Representative by designating such Person or Persons from time to time to act on the TIFIA Lender's behalf pursuant to a written certificate furnished to the Borrower and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the TIFIA Lender.

(b) Pursuant to a Delegation of Authority dated September 1, 2015, the Administrator delegated to the Director of the Office of the TIFIA Joint Program Office the authority to enter into contracts and sign all contractual and funding documents (with the exception of the term sheets and credit agreements) necessary to implement the Act, including entering into technical amendments to, and restatements of, term sheets and credit agreements that do not materially impair the credit quality of the revenues pledged to repay the TIFIA Lender. Pursuant to this delegation, the above named officer may act and serve as the TIFIA Lender's Authorized Representative under this Agreement, in addition to the Administrator for the purposes set forth herein.

SECTION 28. Servicer. The TIFIA Lender may from time to time designate another entity or entities to perform, or assist the TIFIA Lender in performing, the duties of the Servicer or specified duties of the TIFIA Lender under this Agreement and the TIFIA Bond. The TIFIA

Lender shall give the Borrower written notice of the appointment of any successor or additional Servicer and shall enumerate the duties or any change in duties to be performed by any Servicer. Any references in this Agreement to the TIFIA Lender shall be deemed to be a reference to the Servicer with respect to any duties which the TIFIA Lender shall have delegated to such Servicer. The TIFIA Lender may at any time assume the duties of any Servicer under this Agreement and the TIFIA Bond.

The Borrower shall cooperate and respond to any reasonable request of the Servicer for information, documentation or other items reasonably necessary for the performance by the Servicer of its duties hereunder.

SECTION 29. Fees and Expenses.

(a) Commencing in Federal Fiscal Year (**"FFY"**) 2017 and continuing thereafter each year throughout the term of this Agreement, the Borrower shall pay to the TIFIA Lender a loan servicing fee on or before the fifteenth (15^{th}) of November. The TIFIA Lender shall establish the amount of this annual fee, and the TIFIA Lender or the Servicer, if any, shall notify the Borrower of the amount, at least thirty (30) days before payment is due.

(b) In establishing the amount of the fee, the TIFIA Lender will adjust the previous year's base amount in proportion to the percentage change in CPI. For the FFY 2017 calculation, the TIFIA Lender will use the FFY 2016 base amount of $12,720.33, which applies to other TIFIA borrowers, as the previous year's base amount. The TIFIA Lender will calculate the percentage change in the CPI, before seasonal adjustment, from August of the previous year to August of the current year and will then adjust the previous year's base amount in proportion to the CPI percentage change. To calculate the amount of the fee, the TIFIA Lender shall round the current year's base amount using increments of $500. Results with the ending integers between 250-499 or between 750-999 shall be rounded upward, and results with the ending integers between 001-249 or between 501-749 shall be rounded downward. The CPI adjustments in the following years shall begin with the base amount, not the rounded fee.

(c) The Borrower agrees, whether or not the transactions hereby contemplated shall be consummated, to reimburse the TIFIA Lender on demand from time-to-time, within thirty (30) days after receipt of any invoice from the TIFIA Lender, for any and all fees, costs, charges, and expenses incurred by it (including the reasonable fees, costs, and expenses of its legal counsel, financial advisors, auditors and other consultants and advisors, determined in accordance with Part 31 of the Federal Acquisition Regulation) in connection with the negotiation, preparation, execution, delivery, and performance of this Agreement and the other TIFIA Loan Documents and the transactions hereby and thereby contemplated, including reasonable attorneys', engineers' and professional costs, including all such fees, costs, and expenses incurred as a result of or in connection with:

(i) the enforcement of or attempt to enforce any provision of this Agreement or any of the other TIFIA Loan Documents;

(ii) any amendment, modification, or requested amendment or modification of, waiver, consent or requested waiver or consent under or with respect to, or the protection or preservation of any right or claim under, this Agreement, any other Related Document, the Trust Estate or the Pledged TTF Revenues, or advice in connection with the administration, preservation in full force and effect and enforcement of this Agreement or any other Related Document or the rights of the TIFIA Lender thereunder; and

(iii) any work-out, restructuring or similar arrangement of the obligations of the Borrower under this Agreement or the other TIFIA Loan Documents, including during the pendency of one or more Events of Default.

The obligations of the Borrower under this Section 29 shall survive the payment or prepayment in full or transfer of the TIFIA Bond, the enforcement of any provision of this Agreement or the other TIFIA Loan Documents, any such amendments, waivers or consents, any Event of Default, and any such workout, restructuring, or similar arrangement.

SECTION 30. Amendments and Waivers. No amendment, modification, termination or waiver of any provision of this Agreement shall in any event be effective without the written consent of each of the parties hereto.

SECTION 31. Governing Law. This Agreement shall be governed by the federal laws of the United States of America if and to the extent such federal laws are applicable and the internal laws of the State, if and to the extent such federal laws are not applicable.

SECTION 32. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

SECTION 33. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns and shall inure to the benefit of the parties hereto and their permitted successors and assigns. Neither the Borrower's rights or obligations hereunder nor any interest therein may be assigned or delegated by the Borrower without the prior written consent of the TIFIA Lender.

SECTION 34. Remedies Not Exclusive. No remedy conferred herein or reserved to the TIFIA Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 35. Delay or Omission Not Waiver. No delay or omission of the TIFIA Lender to exercise any right or remedy provided hereunder upon a default of the Borrower (except a delay or omission pursuant to a written waiver) shall impair any such right or remedy or constitute a waiver of any such default or acquiescence therein. Every right and remedy given by this Agreement or by law to the TIFIA Lender may be exercised from time to time, and as often as may be deemed expedient by the TIFIA Lender.

SECTION 36. Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto or in connection herewith may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

SECTION 37. Notices; Payment Instructions. Notices hereunder shall be (a) in writing, (b) effective as provided below and (c) given by (i) nationally recognized courier service, (ii) hand delivery, or (iii) email, in each case to:

If to TIFIA Lender:	TIFIA Joint Program Office (HITJ) Federal Highway Administration Room E64-426 1200 New Jersey Avenue, SE Washington, D.C. 20590 Attention: Director Email: TIFIAOversight@dot.gov
with copies to:	Federal Highway Administration Delaware Division Office 1201 College Park Drive, Suite 102 Dover, DE 19904 Attention: Division Administrator Email: hdade@dot.gov
If to Borrower:	Delaware Transportation Authority Transportation Administration Building PO Box 778 Dover, DE 19903 Attention: Mark Tudor Email: Mark.Tudor@state.de.us

Unless otherwise instructed by the TIFIA Lender's Authorized Representative, all notices to the TIFIA Lender should be made by email to the email address noted above for the TIFIA Lender. Notices required to be provided herein shall be provided to such different addresses or to such further parties as may be designated from time to time by a Borrower's Authorized Representative, with respect to notices to the Borrower, or by the TIFIA Lender's Authorized Representative, with respect to notices to the TIFIA Lender or the Servicer. The Borrower shall make any payments hereunder or under the TIFIA Bond in accordance with Section 9(f) (*Manner of Payment*) and the payment instructions hereafter provided by the TIFIA Lender's Authorized Representative, as modified from time-to-time by the TIFIA Lender. Each such notice, request or communication shall be effective (x) if delivered by hand or by nationally recognized courier service, when delivered at the address specified in this Section 37 (or in accordance with the latest unrevoked written direction from the receiving party) and (y) if given by email, when such email is delivered to the address specified in this Section 37 (or in accordance with the latest unrevoked written direction from the receiving party); provided that notices received on a day that is not a Business Day or after 5:00 p.m. Eastern Time on a Business Day will be deemed to be effective on the next Business Day.

SECTION 38. Effectiveness. This Agreement shall be effective on the Effective Date.

SECTION 39. Termination. This Agreement shall terminate upon the irrevocable payment in full in cash by the Borrower of the Outstanding TIFIA Loan Balance, together with all accrued interest and fees with respect thereto; provided, however, that the indemnification requirements of Section 18 (*Indemnification*), the reporting and record keeping requirements of Section 21(b) and (c) (*Accounting and Audit Procedures; Inspections; Reports and Records*) and the payment requirements of Section 29 (*Fees and Expenses*) shall survive the termination of this Agreement as provided in such sections.

SECTION 40. Integration. This Agreement constitutes the entire contract between the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

DELAWARE TRANSPORTATION AUTHORITY

By: ______________________________
Name: Jennifer Cohan
Title: Secretary, Department of Transportation

[SEAL]

By: ______________________________
Name: Hugh E. Curran
Title: Director of Finance,
Department of Transportation

By: ______________________________
Name: Brian G. Motyl
Title: Assistant Director of Finance and
Transportation Trust Fund Administrator

UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Federal Highway Administrator

By: ______________________

Name: Gregory G. Nadeau

Title: Administrator

[Signature Page to TIFIA Loan Agreement]

SCHEDULE I

PROJECT BUDGET

[See attached]

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SCHEDULE 11

CONSTRUCTION SCHEDULE

[See attached]

SCHEDULE 14(f)

LITIGATION

State law specifies that all contractors and subcontractors for the Project are required to provide craft training for journeyman and apprentice levels through a bona fide program (an "Apprenticeship Program") approved by and registered with the State and/or United States Department of Labor. As a condition to bidding on any construction contract for the Project, prospective bidders are required to be prequalified by the DelDOT and validated by the Delaware Department of Labor, and as part of the prequalification process, such prospective bidders must certify that they provide an Apprenticeship Program in accordance with State law.

Associated Builders and Contractors, Inc., Delaware Chapter ("ABC") sent a letter, dated September 1, 2015, to DelDOT Secretary Cohan in which it expressed its opposition to the Apprenticeship Program and asked for the removal of such Apprenticeship Program from the bidding requirements on the Project. In addition, ABC stated that it had recently filed suit in the United States District Court for the District of Delaware (the "U.S. District Court") challenging a County Ordinance enacted by New Castle County, Delaware (the "County") that mandates an apprenticeship training program for all prospective bidders to County contracts (the "New Castle County Case"). In its complaint, ABC requested that the County be enjoined from enforcing the apprenticeship requirements. On September 11, 2015, DelDOT Secretary Cohan responded in writing that DelDOT was required by State law to require the Apprenticeship Program as a condition of bidding for the Project. DelDOT Secretary Cohan then received a letter from ABC dated November 3, 2015 stating that while ABC was still in opposition to the Apprenticeship Program as a requirement for bidding the Project, it would not be proceeding with any legal challenge to such a bidding requirement. As of the date of the Agreement, no lawsuit has been filed by ABC. On November 17, 2015, the U.S. District Court ruled in favor of the County and denied ABC's request for preliminary injunctive relief in the New Castle County Case; a final appealable judgment has not yet been entered.

DelDOT and the Borrower have become aware that legal actions have been brought under the federal Employee Retirement Income Security Act ("ERISA") challenging similar statutory provisions requiring apprenticeship programs. Some of these challenges have been successful, while others have not, as most recently demonstrated with the U.S. District Court's ruling in the New Castle County Case. To DelDOT's knowledge and the Borrower's knowledge, no legal action has been brought against DelDOT or the Borrower with respect to the State's statutory requirement that prospective bidders have an Apprenticeship Program. Unless and until any challenge is commenced, if ever, DelDOT and the Borrower are unable to currently determine any impact a challenge to State law and the Apprenticeship Program may have on the Project, including its construction or operation.

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SCHEDULE 14(s)

ENVIRONMENTAL COMPLIANCE

All post-ROD design refinements, as reflected in DelDOT's November 2011 Design Refinements Report, have been concurred with or not objected to by the State and Federal Environmental Resource and Regulatory Agencies. On December 7, 2011 and as part of the required project environmental reevaluation, the FHWA approved DelDOT's post-ROD Environmental Reassessment and confirmed that the "[ROD] issued on April 30, 2008 remains valid and that the design refinements will not result in a significant change in socioeconomic, cultural or natural resources impacts as previously approved." No significant changes have occurred since the November 2011 Design Refinements Report.

DelDOT has secured all necessary environmental permits, as noted in the table below. DelDOT recently requested and received extensions of the Maryland Department of the Environment (MDE) Non-Tidal Wetlands and Waterways Permit and the MDE E&S/SWM Permit as well as receipt of the Middletown Flood Plain permit. All other permits do not expire for several years or at all. There are presently no known archaeological, hazardous waste, historical, or environmental impediments.

Table 1: New U.S. 301 Mainline – All Permits Secured

Permits and Approvals	Date Issued
Delaware Coastal Management Federal Consistency Certification; FC# 07.037	9/14/2007 (Mod. 4/4/11)
MDE Non-Tidal Wetlands and Waterways Permit; 10-NT-0112/201060367	12/13/2011
DNREC Water Quality Certification (Section 3); WQ-276/11	1/30/2012
DNREC Subaqueous Lands Permit (Section 3); SP-233/11	1/30/2012
New Castle County Delaware Floodplain Permit (Section 3); SLD # 2011732	1/31/2012
New Castle County Delaware Floodplain Permit (Wildlife Culvert and BR1-10); SLD # 20120592	10/11/2012
New Castle County Delaware Floodplain Permit (Section 2 – BR 1-508A); SLD # 20120689	11/1/2012
DNREC Water Quality Certification (Section 1); WQ-147/12	11/9/2012
DNREC Subaqueous Lands Permit (Section 1); SP-145/12	11/9/2012
DNREC Wetland Permit (Section 1); WE-146/12	11/9/2012
Maryland Reforestation Law Approval; T200811301	11/14/2012
Department of the Army Individual Permit; CENAP-OP-R-2006-6071-1	1/7/2013
DNREC Water Quality Certification (Section 2); WQ-315/12	4/29/2013
DNREC Subaqueous Lands Permit (Section 2); SP-312/12	4/29/2013
FEMA Conditional Letter of Map Revision (BR 1-1, 1-2,1-4,1-6,1-7); 13-03-1034R	9/25/2013
Middletown Flood Plain Approval (Section 2 Wetland Mitigation Site)	09/28/2015
MDE E&S Approval	10/30/2015
MDE NPDES permit	11/04/15

SCHEDULE 14(u)

INSURANCE

EXHIBIT A

FORM OF TIFIA BOND

DELAWARE TRANSPORTATION AUTHORITY

SUBORDINATED U.S. 301 PROJECT REVENUE BOND,
TIFIA SERIES 2015

(TIFIA – 2016-1001A)

Maximum Principal Amount: $211,350,000
(excluding capitalized interest)

Effective Date	Final Maturity Date	Interest Rate
December 3, 2015	the earlier of the thirty-fifth (35th) anniversary of the Substantial Completion Date and December 31, 2053	2.94

THIS BOND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF DELAWARE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE DELAWARE DEPARTMENT OF TRANSPORTATION (THE "**DEPARTMENT**"), OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF DELAWARE, ANY POLITICAL SUBDIVISION THEREOF, THE DEPARTMENT OR THE AUTHORITY, BUT SHALL BE PAYABLE SOLELY FROM THE PLEDGED FUNDS AND PLEDGED TTF REVENUES. NEITHER THE STATE OF DELAWARE NOR ANY POLITICAL SUBDIVISION THEREOF, NOR THE DEPARTMENT, NOR THE AUTHORITY SHALL BE OBLIGATED TO PAY THIS BOND OR THE INTEREST HEREON EXCEPT FROM SUCH SOURCES, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF DELAWARE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THIS BOND. THIS BOND IS NOT A GENERAL OBLIGATION OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

DELAWARE TRANSPORTATION AUTHORITY, a public instrumentality and body corporate and politic of the State of Delaware (the "State"), created under the laws of the State (the "**Borrower**"), for value received, hereby promises to pay to the order of the **UNITED STATES DEPARTMENT OF TRANSPORTATION**, acting by and through the Federal Highway Administrator, or its assigns (the "**TIFIA Lender**"), the lesser of (x) the Maximum Principal Amount set forth above and (y) the aggregate unpaid principal amount of all disbursements (the "**Disbursements**") made by the TIFIA Lender (such lesser amount, together with any interest that is capitalized and added to principal in accordance with the provisions of the TIFIA Loan Agreement (as defined below) being hereinafter referred to as the "**Outstanding**

Principal Sum"), together with accrued and unpaid interest (including, if applicable, interest at the Default Rate, as defined in the TIFIA Loan Agreement) on the Outstanding Principal Sum and all fees, costs and other amounts payable in connection therewith, all as more fully described in the TIFIA Loan Agreement. The principal hereof shall be payable in the manner and at the place provided in the TIFIA Loan Agreement in accordance with **Exhibit G-1** to the TIFIA Loan Agreement, as revised from time to time in accordance with the TIFIA Loan Agreement, until paid in full. The TIFIA Lender is hereby authorized to modify the Loan Amortization Schedule included in **Exhibit G-1** to the TIFIA Loan Agreement from time to time in accordance with the terms of the TIFIA Loan Agreement to reflect the amount of each disbursement made thereunder and the date and amount of principal or interest paid by the Borrower thereunder. Absent manifest error, the TIFIA Lender's determination of such matters as set forth on **Exhibit G-1** to the TIFIA Loan Agreement shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under any other TIFIA Loan Document.

Payments hereon are to be made in accordance with Section 9(f) (*Manner of Payment*) and Section 37 (*Notices; Payment Instructions*) of the TIFIA Loan Agreement as the same become due. Principal of and interest on this TIFIA Bond shall be paid in funds available on or before the due date and in any lawful coin or currency of the United States of America that at the date of payment is legal tender for the payment of public and private debts. If the Final Maturity Date is amended in connection with an update to the Financial Plan approved by the TIFIA Lender pursuant to Section 22(a)(iii) (*Financial Plan*) of the TIFIA Loan Agreement, the due date of this TIFIA Bond shall be deemed to be amended to change the due date to such revised Final Maturity Date without any further action required on the part of the Borrower or the TIFIA Lender and such amendment shall in no way amend, modify or affect the other provisions of this TIFIA Bond without the prior written agreement of the TIFIA Lender.

This TIFIA Bond has been executed under and pursuant to that certain TIFIA Loan Agreement, dated as of the date hereof, between the TIFIA Lender and the Borrower (the **"TIFIA Loan Agreement")** and is issued to evidence the obligation of the Borrower under the TIFIA Loan Agreement to repay the loan made by the TIFIA Lender and any other payments of any kind required to be paid by the Borrower under the TIFIA Loan Agreement or the other TIFIA Loan Documents referred to therein. Reference is made to the TIFIA Loan Agreement for all details relating to the Borrower's obligations hereunder. All capitalized terms used in this TIFIA Bond and not defined herein shall have the meanings set forth in the TIFIA Loan Agreement.

This TIFIA Bond shall be subject to mandatory prepayment in accordance with the TIFIA Loan Agreement.

This TIFIA Bond may be prepaid at the option of the Borrower in whole or in part (and, if in part, the principal installments and amounts thereof to be prepaid are to be determined in accordance with the TIFIA Loan Agreement; provided, however, such prepayments shall be in principal amounts of at least $1,000,000 or any integral multiple of $1 in excess thereof), at any time or from time to time, without penalty or premium, by paying to the TIFIA Lender all or part of the principal amount of the TIFIA Bond in accordance with the TIFIA Loan Agreement.

Payment of the obligations of the Borrower under this TIFIA Bond is secured pursuant to the Indenture referred to in the TIFIA Loan Agreement.

The obligations of the Borrower under this TIFIA Bond, the TIFIA Loan Agreement and the other TIFIA Loan Documents referred to therein are subordinated in right of security to certain senior indebtedness of the Borrower in the manner and to the extent provided in the Indenture referred to in the TIFIA Loan Agreement.

Any delay on the part of the TIFIA Lender in exercising any right hereunder shall not operate as a waiver of any such right, and any waiver granted with respect to one default shall not operate as a waiver in the event of any subsequent default.

All acts, conditions and things required by the Constitution and laws of the State to happen, exist, and be performed precedent to and in the issuance of this TIFIA Bond have happened, exist and have been performed as so required. This TIFIA Bond is issued with the intent that the federal laws of the United States of America shall govern its construction to the extent such federal laws are applicable and the internal laws of the State of Delaware shall govern its construction to the extent such federal laws are not applicable.

IN WITNESS WHEREOF, Delaware Transportation Authority has caused this TIFIA Bond to be executed in its name and its seal to be affixed hereto and attested by its duly authorized officer, all as of the Effective Date set forth above.

DELAWARE TRANSPORTATION AUTHORITY

By: ______________________
Name: Jennifer Cohan
Title: Secretary, Department of Transportation

[SEAL]

By: ______________________
Name: Hugh E. Curran
Title: Director of Finance, Department of Transportation

By: ______________________
Name: Brian G. Motyl
Title: Assistant Director of Finance and Transportation Trust Fund Administrator

CERTIFICATE OF AUTHENTICATION

This TIFIA Bond is the TIFIA Bond described in the within-mentioned Indenture.

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee

By: ______________________
Name:
Title:

EXHIBIT B

ANTICIPATED TIFIA LOAN DISBURSEMENT SCHEDULE

[See attachment]

EXHIBIT C

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS — PRIMARY COVERED TRANSACTIONS

The undersigned representatives on behalf of DELAWARE TRANSPORTATION AUTHORITY (the "Borrower"), hereby certify that DELAWARE TRANSPORTATION AUTHORITY has fully complied with its verification obligations under 2 C.F.R. § 180.320 and hereby further confirms, based on such verification, that, to its knowledge, the Borrower and its principals (as defined in 2 C.F.R. § 180.995):

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;

(b) Have not within a three (3) year period preceding the Effective Date been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) Have not within a three (3) year period preceding the Effective Date had one or more public transactions (federal, state or local) terminated for cause or default.

(e) Capitalized terms used in the certificate and not defined shall have the respective meanings ascribed to such terms in the TIFIA Loan Agreement, dated as of December 3, 2015, between the TIFIA Lender and the Borrower, as the same may be amended from time to time.

Dated: December [__], 2015

DELAWARE TRANSPORTATION AUTHORITY

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

EXHIBIT D

REQUISITION PROCEDURES

This Exhibit D sets out the procedures which the Borrower agrees to follow in submitting Requisitions for the disbursement of TIFIA Loan proceeds in respect of the Eligible Project Costs incurred in connection with the Project. Section 1 sets out the manner in which Requisitions are to be submitted and reviewed. Sections 2 through 4 set out the circumstances in which the TIFIA Lender may reject or correct Requisitions submitted by the Borrower or withhold a disbursement. The Borrower expressly agrees to the terms hereof, and further agrees that (i) the rights of the TIFIA Lender contained herein are in addition to (and not in lieu of) any other rights or remedies available to the TIFIA Lender under the TIFIA Loan Agreement, and (ii) nothing contained herein shall be construed to limit the rights of the TIFIA Lender to take actions including administrative enforcement action and actions for breach of contract against the Borrower if it fails to carry out its obligations under the TIFIA Loan Agreement during the term thereof.

Section 1. <u>General Requirements</u>. All requests by the Borrower for the disbursement of TIFIA Loan proceeds shall be made by electronic mail or overnight delivery service by submission to the TIFIA Lender, in accordance with Section 37 (*Notices; Payment Instructions*) of the TIFIA Loan Agreement, of a Requisition, in form and substance satisfactory to the TIFIA Lender and completed and executed by the Borrower's Authorized Representative. The form of Requisition is attached as Appendix One to this Exhibit D. Supporting documentation should be submitted with the requisition.

The TIFIA Lender agrees to promptly send to the Borrower in accordance with Section 37 (*Notices; Payment Instructions*) of the TIFIA Loan Agreement, an acknowledgement of receipt of each Requisition in the form attached as Appendix Two to this Exhibit D setting forth the date of receipt by the TIFIA Lender of such Requisition and setting forth the Business Day on which disbursement will be made absent denial by the TIFIA Lender. All disbursement requests must be received by the TIFIA Lender at or before 5:00 P.M. (EST) on the first (1st) day of a calendar month in order to obtain disbursement by the fifteenth (15th) day of such calendar month or, if either such day is not a Business Day, the next succeeding Business Day. If a Requisition is approved by the TIFIA Lender, the TIFIA Lender will notify the Borrower of such approval and of the amount so approved.

Section 2. <u>Rejection</u>. A Requisition may be rejected in whole or in part by the TIFIA Lender if it is:

(a) submitted without signature;

(b) submitted under signature of a Person other than a Borrower's Authorized Representative;

(c) submitted after prior disbursement of all proceeds of the TIFIA Loan; or

(d) submitted without adequate documentation of Eligible Project Costs incurred or paid. Such documentation shall include invoices for costs incurred or paid and the most recent certificate or report prepared by the Engineering Consultant relating to the construction of the Project (to the extent not previously delivered to the TIFIA Lender).

The TIFIA Lender will notify the Borrower of any Requisition so rejected, and the reasons therefor. Any Requisition rejected for the reasons specified in (a), (b) or (d) above must be resubmitted in proper form in order to be considered for approval. If a Requisition exceeds the balance of the TIFIA Loan proceeds remaining to be disbursed, the request will be treated as if submitted in the amount of the balance so remaining, and the TIFIA Lender will so notify the Borrower.

Section 3. Correction. A Requisition containing an apparent mathematical error will be corrected by the TIFIA Lender, after telephonic or email notification to the Borrower, and will thereafter be treated as if submitted in the corrected amount.

Section 4. Withholding. The TIFIA Lender shall be entitled to withhold approval (in whole or in part) of any pending or subsequent requests for the disbursement of TIFIA Loan proceeds if:

(a) an Event of Default or event that, with the giving of notice or the passage of time or both, would constitute an Event of Default under the TIFIA Loan Agreement shall have occurred and be continuing: or

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(b) the Borrower:

(i) knowingly takes any action, or omits to take any action, amounting to fraud or violation of any applicable federal or local criminal law, in connection with the transactions contemplated hereby; or

(ii) fails to construct the Project in a manner consistent with the Governmental Approvals with respect to the Project, or with good engineering practices, where such failure prevents or materially impairs the Project from fulfilling its intended purpose, or prevents or materially impairs the ability of the TIFIA Lender to monitor compliance by the Borrower with applicable federal or local law pertaining to the Project, or with the terms and conditions of the TIFIA Loan Agreement; or

(iii) fails to observe or comply with any applicable federal or local law or any term or condition of the TIFIA Loan Agreement; or

(iv) fails to satisfy the conditions set forth in Sections 4 (*Disbursement Conditions*), 13(b) (*Conditions Precedent to Initial Disbursement*) (solely with respect to the initial disbursement) and 13(c) (*Conditions Precedent to All Disbursements*) of the TIFIA Loan Agreement; or

(v) fails to deliver documentation satisfactory to the TIFIA Lender evidencing Eligible Project Costs claimed for disbursement at the times and in the

manner specified by the TIFIA Loan Agreement; provided, that in such case the TIFIA Lender may, in its sole discretion, partially approve a disbursement request in respect of any amounts for which adequate documentation evidencing Eligible Project Costs has been provided and may, in its sole discretion, disburse in respect of such properly documented amounts.

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APPENDIX ONE TO EXHIBIT D

FORM OF REQUISITION

United States Department of Transportation
c/o Director, TIFIA Joint Program Office (HITJ)
Federal Highway Administration
Room E64-426
1200 New Jersey Avenue, SE,
Washington, D.C. 20590

Federal Highway Administration
Delaware Division Office
1201 College Park Drive, Suite 102
Dover, DE 19904
Attention: Division Administrator

[Loan Servicer]
[Address]
[Attention]

Re: NEW U.S. 301 PROJECT (TIFIA 2016-1001A)

Ladies and Gentlemen:

Pursuant to Section 4 (*Disbursement Conditions*) of the TIFIA Loan Agreement, dated as of December 3, 2015 (the "**TIFIA Loan Agreement**"), by and between DELAWARE TRANSPORTATION AUTHORITY (the "**Borrower**") and the UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Federal Highway Administrator (the "**TIFIA Lender**"), we hereby request disbursement in the amount of $[__________] in respect of Eligible Project Costs paid or incurred by or on behalf of the Borrower. Capitalized terms used but not defined herein have the meaning set forth in the TIFIA Loan Agreement. In connection with this Requisition the undersigned does hereby represent and certify the following:

1. This Requisition is Requisition number [______].

2. The requested date of disbursement is [_____] 15, 20[__](the "**Disbursement Date**")[, which is the first Business Day following [_______] 15, 20[__]].

3. The amounts previously disbursed under the TIFIA Loan Agreement equal, in the aggregate, $[___________]. The amount of any Senior Obligations issued in respect of the Project, previously disbursed and to be disbursed under the Indenture as of the date of the requested disbursement equals, in the aggregate, $[_____________]. [The amount of any Pari Passu Obligations (other than the TIFIA Loan) issued in respect of the Project, previously disbursed and to be disbursed under the Indenture as of the date of the requested disbursement equals, in the aggregate, $[______________].]

4. The amounts hereby requisitioned have been paid or incurred by or on behalf of the Borrower for Eligible Project Costs and have not been paid for or reimbursed by any previous disbursement of TIFIA Loan proceeds.

5. The amount of this Requisition, together with all prior Requisitions, does not exceed the amount of the TIFIA Loan, and the amount of this Requisition together with the sum of all disbursements of TIFIA Loan proceeds made and to be made for the current year will not exceed the cumulative disbursements through the end of the current year as set forth in the Anticipated TIFIA Loan Disbursement Schedule.

6. All documentation evidencing the Eligible Project Costs to be reimbursed by the above-requested disbursement has been delivered by the Borrower at the times and in the manner specified by the TIFIA Loan Agreement.

7. The Borrower has all Governmental Approvals necessary as of the date hereof and as of the Disbursement Date (immediately after giving effect to the above-requested disbursement of TIFIA Loan proceeds), for the development, construction, operation and maintenance of the Project and each such Governmental Approval is in full force and effect (and is not subject to any notice of violation, breach or revocation).

8. Each of the insurance coverages maintained by the Borrower or DelDOT in satisfaction of the condition in Section 13(a)(xviii) of the TIFIA Loan Agreement is in full force and effect, and no notice of termination thereof has been issued by the applicable insurance provider.

9. The Project has been, and is being, constructed in a manner consistent with all plans, specifications, engineering reports and facilities plans previously submitted to and approved by the TIFIA Lender and the FHWA Division Office and with good engineering practices.

10. The representations and warranties of the Borrower set forth in the TIFIA Loan Agreement and in each other Related Document are true and correct as of the date hereof and as of the Disbursement Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

11. As of the date hereof and on the Disbursement Date (immediately after giving effect to the above-requested disbursement of TIFIA Loan proceeds), (i) no Event of Default or event of default under any other Related Document and (ii) no event that, with the giving of notice or the passage of time or both, would constitute an

Event of Default or event of default under any Related Document, in each case, has occurred and is continuing.

12. No Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred or arisen since May 15, 2015.

13. Since the date of the most recent disbursement under the TIFIA Loan Agreement, there has been no change to either the Federal Employer Identification Number or the Data Universal Numbering System number applicable to the Borrower.

14. [A copy of the most recent certificate or report of the Engineering Consultant with respect to the construction of the Project has been delivered to each of the above named addressees.]

15. A copy of the monthly construction progress report pursuant to Section 23(b)(i) (*Monthly Construction Progress Report*) of the TIFIA Loan Agreement for the month preceding the date of the applicable Requisition has been delivered to each of the above named addresses.

16. The undersigned acknowledges that if the Borrower makes a false, fictitious, or fraudulent claim, statement, submission, or certification to the Government in connection with the Project, the Government reserves the right to impose on the Borrower the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5323(l)(1), to the extent the Government deems appropriate.

17. A copy of this requisition has been delivered to each of the above named addressees.

18. The undersigned is duly authorized to execute and deliver this requisition on behalf of the Borrower.

[Add wire instructions for Trustee]

Date:

DELAWARE TRANSPORTATION AUTHORITY

By: ______________________
Borrower's Authorized Representative
Name:
Title:

APPENDIX TWO TO EXHIBIT D

FORM OF ACKNOWLEDGMENT OF RECEIPT OF

REQUISITION FOR DISBURSEMENT OF TIFIA LOAN PROCEEDS

Delaware Transportation Authority
Transportation Administration Building
PO Box 778
Dover, DE 19903
Attention: Secretary

Re: Receipt of Requisition for Disbursement of TIFIA Loan Proceeds

Ladies and Gentlemen:

Pursuant to Section 4 (*Disbursement Conditions*) of the TIFIA Loan Agreement, dated as of December 3, 2015, by and between DELAWARE TRANSPORTATION AUTHORITY (the "**Borrower**") and the UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Federal Highway Administrator (the "**TIFIA Lender**"), the undersigned authorized representative of the TIFIA Lender hereby acknowledges receipt of the attached Requisition for Disbursement of TIFIA Loan proceeds (the "**Requisition**") from the Borrower. Capitalized terms used but not defined herein have the meaning set forth in the TIFIA Loan Agreement. In connection therewith, we hereby represent and certify the following:

1. The date of receipt of the Requisition is [__________].

2. Unless this Requisition is denied, disbursement shall be made on or before [__________].

Date:

By: ______________________
On behalf of the TIFIA Lender's Authorized Representative
Name:
Title:

APPENDIX THREE TO EXHIBIT D

[APPROVAL/DISAPPROVAL[OF THE TIFIA LENDER

(To be delivered to the Borrower)

Requisition Number [____] is [approved in the amount of $[___]] [approved in part in the amount of $[___]][not approved][1] by the TIFIA Lender (as defined herein) pursuant to Section 4 (*Disbursement Conditions*) of the TIFIA Loan Agreement, dated as of December 3, 2015, by and between the Delaware Transportation Authority (the "**Borrower**") and the United States Department of Transportation, acting by and through the Federal Highway Administrator (the "**TIFIA Lender**").

Any determination, action or failure to act by the TIFIA Lender with respect to the Requisition set forth above, including any withholding of a disbursement, shall be at the TIFIA Lender's sole discretion, and in no event shall the TIFIA Lender be responsible for or liable to the Borrower for any and/or all consequence(s) which are the result thereof.

UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Federal Highway Administrator

By: ______________________________
TIFIA Lender's Authorized Representative
Name:
Title:

Dated:

[1] Attached hereto as Exhibit A are reasons for any partial or full denial of approval.

EXHIBIT E

COMPLIANCE WITH LAWS

The Borrower shall, and shall require its contractors and subcontractors at all tiers for the Project to, comply in all material respects with any and all applicable federal and state laws. The following list of Federal laws is illustrative of the type of requirements generally applicable to transportation projects. It is not intended to be exhaustive.

(i) The Americans With Disabilities Act of 1990 and implementing regulations (42 U.S.C. § 12101 *et seq.*; 28 C.F.R. § 35; 29 C.F.R. § 1630);

(ii) Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000d *et seq.*) and 49 C.F.R. § 21;

(iii) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. § 4601 *et seq.*), with the understanding that the requirements of said Act are not applicable with respect to utility relocations except with respect to acquisitions by the Borrower of easements or other real property rights for the relocated facilities;

(iv) Equal employment opportunity requirements under Executive Order 11246 dated September 24, 1965 (30 F.R. 12319), any Executive Order amending such order, and implementing regulations (29 C.F.R. §§ 1625-27, 1630; 28 C.F.R. § 35; 41 C.F.R. § 60; and 49 C.F.R. § 27);

(v) Restrictions governing the use of federal appropriated funds for lobbying (31 U.S.C. § 1352; 49 C.F.R. § 20);

(vi) The Clean Air Act, as amended (42 U.S.C. § 7401 *et seq.*);

(vii) The National Environmental Policy Act of 1969 (42 U.S.C. § 4321 *et seq.*);

(viii) The Federal Water Pollution Control Act, as amended (33 U.S.C. § 1251 *et seq.*, as amended by Pub. L. 92-500);

(ix) The environmental mitigation requirements and commitments made by the Borrower that result in TIFIA Lender's approval of the Final Environmental Impact Statement (issued pursuant to 42 U.S.C. § 4332(2)(C)) and issuance of the Record of Decision for the Project;

(x) The Endangered Species Act, 16 U.S.C. § 1531, *et seq.*

(xi) 23 U.S.C. §138 and 49 U.S.C. § 303, as applicable;

(xii) The health and safety requirements set forth in 23 C.F.R. § 635.108;

(xiii) The prevailing wage requirements set forth in 40 U.S.C. § 276a, 23 U.S.C. § 113, as supplemented by 29 C.F.R. § 5, 23 C.F.R. §§ 635.117(f) and 635.118, and FHWA Form 1273 §§ IV and V for those contracts that involve construction of highway improvements;

(xiv) The Buy America requirements set forth in 23 U.S.C. § 313 and implementing regulations (23 C.F.R. § 635.410);

(xv) The requirements of 23 U.S.C. § 101 *et seq.* and 23 C.F.R.; and

(xvi) The applicable requirements of 49 C.F.R. § 26 relating to the Disadvantaged Business Enterprise program.

EXHIBIT F

FHWA OVERSIGHT AGREEMENT

[See attachment]

EXHIBIT G-1

TIFIA DEBT SERVICE

[See attachment]

EXHIBIT G-2

ANTICIPATED PREPAYMENT SCHEDULE FOR TIFIA LOAN

[See attachment]

EXHIBIT H-1

OPINIONS REQUIRED FROM COUNSEL TO BORROWER

An opinion of the counsel of the Borrower, dated the Effective Date, to the effect that: (a) the Borrower is duly formed, validly existing, and in good standing under the laws of the jurisdiction of its organization; (b) the Borrower has all requisite power and authority to conduct its business and to execute and deliver, and to perform its obligations under the Related Documents to which it is a party; (c) the execution and delivery by the Borrower of, and the performance of its obligations under, the Related Documents to which it is a party, have been duly authorized by all necessary organizational or regulatory action; (d) the Borrower has duly executed and delivered each Related Document to which it is a party and each such Related Document constitutes the legal, valid and binding obligation of the Borrower, enforceable against it in accordance with its respective terms; (e) no authorization, consent, or other approval of, or registration, declaration or other filing with any governmental authority of the United States of America or of the State is required on the part of the Borrower for the execution and delivery of, and the performance under, any Related Document to which it is a party other than authorizations, consents, approvals, registrations, declarations and filings that have already been timely obtained or made by the Borrower; (f) the execution and delivery by the Borrower of, and compliance with the provisions of, the Related Documents to which it is a party in each case do not (i) violate the Organizational Documents of the Borrower, (ii) violate the law of the United States of America or of the State or (iii) conflict with or constitute a breach of or default under any material agreement or other instrument known to such counsel to which the Borrower is a party, or to the best of such counsel's knowledge, after reasonable review, any court order, consent decree, statute, rule, regulation or any other law to which the Borrower is subject; (g) the Borrower is not an investment company required to register under the Investment Company Act of 1940, as amended; and (h) to our knowledge after due inquiry, there are no actions, suits, proceedings or investigations against the Borrower by or before any court, arbitrator or any other Governmental Authority in connection with the Related Documents or the Project that are pending.

EXHIBIT H-2

OPINIONS REQUIRED FROM BOND COUNSEL

An opinion of bond counsel, dated the Effective Date, to the effect that: (a) each of the TIFIA Bond, the Indenture, the TIFIA Supplemental Indenture, and Supplemental Agreement No. 27 has been duly authorized, executed, and delivered by the Borrower in accordance with the Organizational Documents of the Borrower and in compliance with all applicable laws; (b) each of the TIFIA Bond, the Indenture, the TIFIA Supplemental Indenture, the 1988 Trust Agreement and Supplemental Agreement No. 27 is in full force and effect and constitutes the legal, valid, and binding obligation of the Borrower, enforceable in accordance with its respective terms and conditions; (c) the TIFIA Bond is secured by the Trust Estate and is a Bond entitled to the benefits of a Bond under the Indenture, enforceable under the laws of the State without any further action by the Borrower or any other Person and is subordinate, only for so long as no Bankruptcy Related Event with respect to the Borrower has not occurred, only to the Senior Obligations; (d) the TIFIA Bond is secured on a subordinate basis by the trust estate established under the 1988 Trust Agreement and is entitled to the benefits of "Subordinate Indebtedness under (and as defined in) the 1988 Trust Agreement, enforceable under the laws of the State without any further action by the Borrower or any other Person; (e) the Indenture creates the valid and binding assignment and pledge of the Trust Estate to secure the payment of the principal of, interest on, and other amounts payable in respect of, the TIFIA Bond, irrespective of whether any party has notice of the pledge and without the need for any physical delivery, recordation, filing or further act; (f) the 1988 Trust Agreement and Supplemental Agreement No. 27 create the valid and binding assignment and pledge of the Pledged TTF Revenues to secure the payment of the principal of, interest on, and other amounts payable in respect of, the TIFIA Bond, to the extent provided in the Indenture and Supplemental Agreement No. 27 and irrespective of whether any party has notice of the pledge and without the need for any physical delivery, recordation, filing or further act; (g) all actions by the Borrower required under the TIFIA Loan Agreement, the Indenture Documents and applicable laws for the pledge of the Trust Estate and the Pledged TTF Revenues pursuant to and in accordance with the Indenture Documents have been duly and lawfully taken; (h) the Borrower has complied with the requirements of State law to lawfully pledge the Trust Estate, the Pledged Funds and the Pledged TTF Revenues and use the Trust Estate, the Revenues and the Pledged TTF Revenues as required by the terms of the Indenture and the TIFIA Loan Agreement; (i) the Borrower is not eligible to be a debtor in either a voluntary or an involuntary case under the United States Bankruptcy Code; and (j) the Borrower is not entitled to claim governmental immunity in any breach of contract action under the TIFIA Loan Agreement or the TIFIA Bond or by the Trustee under the Indenture Documents.

EXHIBIT I

[RESERVED]

EXHIBIT J

FORM OF CERTIFICATE OF TRUSTEE

DELAWARE TRANSPORTATION AUTHORITY

TIFIA Bond
NEW U.S. 301 PROJECT
(TIFIA – 2016-1001A)

The undersigned, WILMINGTON TRUST, NATIONAL ASSOCIATION (the "***Trustee***"), by its duly appointed, qualified and acting [__________], certifies with respect to the above referenced bond (the "***TIFIA Bond***") dated as of December 3, 2015, as follows (capitalized terms used in this Certificate which are not otherwise defined shall have the meanings given to such terms in the Indenture (as defined below)):

1. That the Trustee is a national association duly organized and validly existing under the laws of the United States of America and is duly licensed and in good standing under the laws of Delaware.

2. All approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the performance by the Trustee of its duties and obligations under the documents pertaining to the issuance of the TIFIA Bond have been obtained and are in full force and effect.

3. That the documents pertaining to the issuance of the TIFIA Bond to which the Trustee is a party were executed and the TIFIA Bond was authenticated on behalf of the Trustee by one or more of the persons whose names and offices appear on Annex One attached hereto and made part hereof, that each person was at the time of the execution of such documents and the authentication of the TIFIA Bond and now is duly appointed, qualified and acting incumbent of his or her respective office, that each such person was authorized to execute such documents and to authenticate the TIFIA Bond, and that the signature appearing after the name of each such person on Annex One is a true and correct specimen of that person's genuine signature.

4. That the undersigned is authorized to act as Trustee and accept the trusts conveyed to it under the Indenture ("***Trusts***"), has accepted the Trusts so conveyed and in so accepting the Trusts and so acting is in violation of no provision of its articles of association or bylaws, any law, regulation or court or administrative order or any agreement or other instrument to which it is a party or by which it may be bound.

5. That attached to this Certificate as Annex Two is a full, true and correct copy of excerpts from resolutions of the board of directors of the Trustee and other applicable documents that evidence the Trustee's trust powers and the authority of the officers referred to above to act on behalf of the Trustee; and that these excerpts and other applicable documents were in effect on the date or dates such officers acted and remain in full force and effect today, and such excerpts and documents have not been amended since the date of the last amendment thereto shown on any such copy, as applicable.

6. That receipt is acknowledged of all instruments, certifications and other documents or confirmations required to be received by the Trustee pursuant to Sections 2.9 and 2.10 of that certain Master Indenture of Trust, dated as of December 1, 2015, between the Delaware Transportation Authority (the "***Borrower***") and the Trustee, as supplemented and amended, including by a Second Supplemental Indenture of Trust dated as of December 1, 2015 (collectively, the "***Indenture***").

7. That receipt is also acknowledged of that certain TIFIA Loan Agreement, dated as of December 3, 2015 (the "***TIFIA Loan Agreement***"), between the Borrower and the United States Department of Transportation, acting by and through the Federal Highway Administrator (the "***TIFIA Bondholder***").

8. That the Trustee also accepts its appointment and agrees to perform the duties and responsibilities of Trustee and of registrar and paying agent for and in respect of the TIFIA Bond as set forth in the Indenture and the TIFIA Loan Agreement, including from time to time redeeming all or a portion of the TIFIA Bond as provided in the TIFIA Supplemental Indenture. In accepting such duties and responsibilities, the Trustee shall be entitled to all of the privileges, immunities, rights and protections set forth in Section 9.2 of the Indenture.

9. That all funds and accounts for the payment of the TIFIA Bond pursuant to the Indenture (including, but not limited to, the TIFIA Debt Service Fund) have been established as provided in the Indenture.

[SIGNATURE PAGE FOLLOWS]

Dated: December [__], 2015

WILMINGTON TRUST, NATIONAL ASSOCIATION

By: ______________________
Its:

ANNEX ONE TO EXHIBIT J

OFFICERS OF TRUSTEE

ANNEX TWO TO EXHIBIT J

RESOLUTIONS OF BOARD OF DIRECTORS OF TRUSTEE

EXHIBIT K

FORM OF BORROWER'S OFFICER'S CERTIFICATE

Reference is made to that certain TIFIA Loan Agreement, dated as of December 3, 2015 (the "TIFIA Loan Agreement"), by and among the Delaware Transportation Authority (the "Borrower") and the United States Department of Transportation, acting by and through the Federal Highway Administrator (the "TIFIA Lender"). Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the TIFIA Loan Agreement.

1. The undersigned, [___], as Borrower's Authorized Representative, does hereby certify on behalf of the Borrower and not in his/her personal capacity, as of the date hereof:

(a) pursuant to Section 13(a)(ii) of the TIFIA Loan Agreement, attached hereto as Exhibit B are complete, and fully executed copies of each Indenture Document, together with any amendments, waivers or modifications thereto, in each case that has been entered into on or prior to the Effective Date, and each such agreement is in full force and effect, and all conditions contained in such documents to the closing of the transactions contemplated thereby have been fulfilled or effectively waived by the TIFIA Lender in its sole discretion;

(b) the Indenture Documents and applicable laws establish, in favor of the Trustee for the benefit of the TIFIA Lender, the valid and binding Liens on the Trust Estate and the Pledged TTF Revenues that they purport to create, such Liens are in full force and effect and are not subordinate or junior to any other Liens in respect of the Trust Estate except for the Permitted Liens associated with Senior Obligations described in clauses (a) and (c) of the definition of Permitted Debt, and not pari passu with any obligations other than Pari Passu Obligations. The Borrower is not in breach of any covenants set forth in Section 16(a) (*Securing Liens*) of the TIFIA Loan Agreement or in the Indenture Documents with respect to the matters described in such section. From and after the initial disbursement hereunder, (i) all documents and instruments have been recorded or filed for record in such manner and in such places as are required and all other action as is necessary or desirable has been taken to establish and perfect the Trustee's Lien in and to the Trust Estate and the Pledged TTF Revenues (for the benefit of the Secured Parties) to the extent contemplated by the Indenture Documents, and (ii) all taxes and filing fees that are due and payable in connection with the execution, delivery or recordation of any Indenture Documents or any instruments, certificates or financing statements in connection with the foregoing, have been paid;

(c) pursuant to Section 13(a)(v) of the TIFIA Loan Agreement, attached hereto as Exhibit K, is evidence that the Project has been included in (i) the metropolitan transportation improvement program adopted by the federally designated metropolitan planning organization for the region, (ii) the State transportation plan, and (iii) the State transportation improvement program approved by the USDOT or its

designated agency, in each case to the extent required by 23 U.S.C. §§ 134 and 135, and 23 U.S.C. §602(a)(3), as applicable; and the financial plan for each such program or plan reflects the amount of the TIFIA Loan and all other federal funds to be used for the Project as sources of funding for the Project;

(d) in accordance with Section 13(a)(vii) of the TIFIA Loan Agreement, attached hereto as Exhibit A is an incumbency certificate that lists all persons, together with their positions and specimen signatures, who are duly authorized by the Borrower to execute the Related Documents to which the Borrower is or will be a party, and who have been appointed a Borrower's Authorized Representative in accordance with Section 26 (*Borrower's Authorized Representative*) of the TIFIA Loan Agreement;

(e) As of the Effective Date, the aggregate of all committed sources of funds shown in the Base Case Financial Model and in the Project Budget to pay Total Project Costs have been fully and completely committed and allocated to the Borrower by the providers thereof and that such funds shall be sufficient to pay all Total Project Costs necessary to achieve Substantial Completion.

(f) pursuant to Section 13(a)(ix) of the TIFIA Loan Agreement, attached hereto as Exhibit C is a true, correct and complete copy of the Borrower's Traffic and Revenue Study, accompanied by a letter from the Traffic Consultant certifying that the assumptions and projections contained in the Traffic and Revenue Study are reasonable;

(g) pursuant to Section 13(a)(x) of the TIFIA Loan Agreement, attached hereto as Exhibit D is a true, complete, and fully executed copies of each Principal Project Contract that has been entered into on or prior to the Effective Date, together with any amendments, waivers or modifications thereto, in each case that has been entered into on or prior to the Effective Date and each such agreement is in full force and effect on the date hereof;

(h) pursuant to Section 13(a)(xi) of the TIFIA Loan Agreement, the Borrower has obtained all Governmental Approvals necessary to commence construction of the Project, to enter into and borrow amounts under the TIFIA Loan Agreement, and to issue the Series 2015 Bonds and each such Governmental Approval is final and non-appealable and in full force and effect (and is not subject to any notice of violation, breach or revocation);

(i) in accordance with Section 13(a)(xii) of the TIFIA Loan Agreement, attached hereto as Exhibit E is the Base Case Financial Model, which Base Case Financial Model (i) demonstrates that projected Project Revenues are sufficient to meet the Loan Amortization Schedule, (ii) demonstrates a Total Debt Service Coverage Ratio for each Calculation Period through the Final Maturity Date that is not less than 1.20, and (iii) does not reflect (1) the commencement of amortization of the principal amount of any Senior Obligations until on or after the Debt Service Payment Commencement Date, (2) the payment of any interest on any Pari Passu Obligations or Subordinated

Obligations until on or after the Debt Service Payment Commencement Date, or (3) the commencement of amortization of the principal amount of any Pari Passu Obligations or Subordinated Obligations until on or after the commencement of amortization of the principal amount of the TIFIA Loan;

(j) pursuant to Section 13(a)(xv) of the TIFIA Loan Agreement, attached hereto as Exhibit F is a true, correct and complete copy of the final NEPA Determination, which document has not been revoked or amended on or prior to the date hereof;

(k) pursuant to Section 13(a)(xvii), (i) the Borrower's Federal Employer Identification Number is 51-6000279 and attached hereto as Exhibit G-1 is evidence thereof, (ii) the Borrower's Data Universal Numbering System number is 809856008, and (iii) the Borrower has registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov), and attached hereto as Exhibit G-2 is evidence of each of (ii) and (iii);

(l) pursuant to Section 13(a)(xviii) of the TIFIA Loan Agreement, attached hereto as Exhibit H are true, correct and complete copies of the evidence of insurance that demonstrate satisfaction of the insurance requirements of Section 13(a)(xviii) of the TIFIA Loan Agreement;

(m) pursuant to Section 13(a)(xix) of the TIFIA Loan Agreement, attached hereto as (i) Exhibit I-1 is a copy of the Borrower's Organizational Documents, as in effect on the Effective Date (and certified by the Secretary of State of the State, to the extent applicable), which Organizational Documents are in full force and effect and have not been amended since the date of the last amendment thereto attached to such exhibit, (ii) Exhibit I-2 is a copy of all resolutions authorizing the Borrower to execute and deliver, and to perform its obligations under the TIFIA Loan Documents to which it is a party, and such resolutions have not been subsequently modified, rescinded or amended, are in full force and effect in the form adopted, and are the only resolutions adopted by the Borrower relating to the matters described therein, and (iii) as Exhibit I-3 is a copy of such further instruments and documents as are necessary, appropriate or advisable to effectuate the foregoing resolutions and to consummate and implement the transactions contemplated by such resolutions and the TIFIA Loan Documents;

(n) pursuant to Section 13(a)(xxi) of the TIFIA Loan Agreement, attached hereto as Exhibit J are complete and fully executed copies of each performance security instrument delivered to or by the Borrower or DelDOT pursuant to any Principal Project Contract as of the Effective Date, each of which performance security instruments is in compliance with the requirements for such instrument pursuant to the applicable Principal Project Contract and is in full force and effect;

(o) the representations and warranties of the Borrower set forth in the TIFIA Loan Agreement and in each other Related Document to which the Borrower is a party are true and correct on and as of the date hereof, except to the extent that such

representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date; and

(p) pursuant to Section 13(a)(xxiii) of the TIFIA Loan Agreement, as of the Effective Date, (A) the maximum principal amount of the TIFIA Loan (excluding any interest that is capitalized in accordance with the terms of the TIFIA Loan Agreement), together with the amount of any other credit assistance provided under the Act to the Borrower, does not exceed thirty-three percent (33%) of reasonably anticipated Eligible Project Costs and (B) as required pursuant to Section 603(b)(9) of the Act, the total federal assistance provided to the Project, including the maximum principal amount of the TIFIA Loan (excluding any interest that is capitalized in accordance with the terms hereof), does not exceed eighty percent (80%) of Eligible Project Costs.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first mentioned above.

DELAWARE TRANSPORTATION AUTHORITY

By: ______________________________
Name:
Title:

[Signature Page to Omnibus Certificate of the Borrower]

EXHIBIT A TO EXHIBIT K
TO FORM OF BORROWER'S OFFICER'S CERTIFICATE

INCUMBENCY CERTIFICATE

The undersigned certifies that he/she is the [Secretary] of the Delaware Transportation Authority, a public instrumentality and body corporate and politic of the State of Delaware, (the "Borrower"), and as such he/she is authorized to execute this certificate and further certifies that the following persons have been elected or appointed, are qualified, and are now acting as officers or authorized persons of the Borrower in the capacity or capacities indicated below, and that the signatures set forth opposite their respective names are their true and genuine signatures. He/She further certifies that any of the officers listed below is authorized to sign agreements and give written instructions with regard to any matters pertaining to the TIFIA Loan Documents and/or the Indenture Documents (each as defined in that certain TIFIA Loan Agreement, dated as of the date hereof, between the Borrower and the United States Department of Transportation, acting by and through the Federal Highway Administrator) as the Borrower's Authorized Representative:

Name	Title	Signature
[____________]	[______________]	____________________
[____________]	[______________]	____________________
[____________]	[______________]	____________________
[____________]	[______________]	____________________
[____________]	[______________]	____________________

IN WITNESS WHEREOF, the undersigned has executed this certificate as of this _____ day of December [__], 2015.

DELAWARE TRANSPORTATION AUTHORITY

By: ______________________________
Name:
Title:

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EXHIBIT L

FORM OF CERTIFICATE OF SUBSTANTIAL COMPLETION

[*Letterhead of Borrower*]

[*Date*]

TIFIA Joint Program Office (HITJ)
Federal Highway Administration
Room E64-426
1200 New Jersey Avenue, SE
Washington, D.C. 20590
Attention: Director

Project: NEW U.S. 301 PROJECT (TIFIA – 2016-1001A)

Dear Director:

This Notice is provided pursuant to Section 16(g)(i)(A) (*Substantial Completion*) of that certain TIFIA Loan Agreement (the "TIFIA Loan Agreement"), dated as of December 3, 2015 by and between the Delaware Transportation Authority (the "**Borrower**") and the United States Department of Transportation, acting by and through the Federal Highway Administrator (the "**TIFIA Lender**").

Unless otherwise defined herein, all capitalized terms in this Notice have the meanings assigned to those terms in the TIFIA Loan Agreement.

I, the undersigned, in my capacity as the Borrower's Authorized Representative and not in my individual capacity, do hereby certify to the TIFIA Lender that:

(a) on [*insert date Substantial Completion requirements were satisfied*], the Project satisfied each of the requirements for Substantial Completion set forth in the [*Insert reference to the relevant Construction Agreement(s) for each Segment of the Project*];

(b) Substantial Completion has been declared under each of the above-referenced agreements and copies of the notices of Substantial Completion under such agreements are attached to this certification; and

(c) Substantial Completion, as defined in the TIFIA Loan Agreement, has been achieved.

[Borrower's Authorized Representative]

____
Name:
Title:

EXHIBIT M

FLOW OF FUNDS PURSUANT TO SECTION 4.2 OF THE INDENTURE

The following language is excerpted from Section 4.2 (Flow of Funds) of the Indenture. All terms used in this Exhibit M have the meanings provided in the Indenture.

Section 4.2 Revenue Fund. A special fund is hereby created and designated the "Delaware Transportation Authority U.S. 301 Project Revenue Bonds Revenue Fund" (the "Revenue Fund"); said fund shall be held by the Authority. The Authority covenants that it will deposit all Revenues when and as received by it into the Revenue Fund. All moneys in the Revenue Fund shall be held by the Authority in trust for the benefit of the Bonds, the Parity Obligations and Subordinated Indebtedness and applied as provided in this Article and, pending such application, shall be subject to a lien and charge in favor of the Secured Owners and for the further security of such Secured Owners until paid out or transferred as hereinafter provided.

On or before the fifteenth (15th) day of each month, the Authority shall withdraw from the Revenue Fund and transfer to the Trustee the balance then on deposit therein for transfer, deposit or payment by the Trustee in the following order of priority (and for such purpose earnings on the Debt Service Fund, the Reserve Fund and the Repair and Replacement Fund received by the Trustee during such period shall be deemed to have been so withdrawn and transferred):

(a) to the credit of the Interest Account and the Principal Account (or to a Series Credit Facility Fund in lieu of either of the foregoing, to the extent set forth below, and if the amount available is insufficient for such purposes, to the credit of each such account or fund in proportion to the respective amount of the deposit thereto described in this clause (a)):

1. to the credit of the Interest Account (but only after the Trustee shall first have withdrawn from the Capitalized Interest Account and credited to the Interest Account such amounts as may from time to time be specified in a written direction to the Trustee from an Authorized Authority Representative), the amount necessary to accumulate in not more than six (6) equal monthly installments aggregating by the end of the month next preceding each Interest Payment Date the interest on all Outstanding Bonds due on such Interest Payment Date; provided, however, that to the extent available, each transfer made immediately prior to the next Interest Payment Date shall be in an amount sufficient to provide, together with amounts on deposit in the Interest Account, the balance of the interest on the Bonds due on such Interest Payment Date; and

2. to the credit of the Principal Account, the amount necessary to accumulate in not more than twelve (12) equal monthly installments aggregating by the end of the month next preceding each Interest Payment Date on which principal (or

Accreted Amount, as applicable) is due on all Outstanding Bonds (upon maturity or by sinking fund redemption) on such Interest Payment Date, taking into account with respect to each such monthly transfer any other moneys actually available in such Principal Account and any credit against amounts due in each of the twelve (12) months immediately preceding the final maturity date of any Outstanding Bonds; provided, however, that to the extent available, each transfer made immediately prior to the next Interest Payment Date on which principal (or Accreted Amount, as applicable) is due shall be in an amount sufficient to provide the balance of the principal (or Accreted Amount, as applicable) due on the Bonds on such Interest Payment Date;

(b) to the credit of the Revenue Funded Account of the Reserve Fund, if and to the extent the balance on deposit therein, together with any amounts held on deposit in the Bond Proceeds Funded Account of the Reserve Fund, is less than the Reserve Fund Requirement, the amount necessary to cause the balance on deposit therein, or in both such accounts in the aggregate, to equal the Reserve Fund Requirement. If the Trustee withdraws moneys from the Reserve Fund to fund any deficiency described in Section 4.4 herein, the Reserve Fund Requirement shall be retested at such time to determine the appropriate amount of Revenues that should be deposited into the Revenue Funded Account of the Reserve Fund pursuant to this paragraph (b). Upon the occurrence of a Bankruptcy-Related Event, the Reserve Fund Requirement shall be retested at such time for each Series of Bonds Outstanding taking into account the TIFIA Series 2015 Bond (and any other TIFIA Indebtedness that is subject to a springing lien upon the occurrence of a Bankruptcy-Related Event) to determine the appropriate amount of Revenues that should be deposited into the Revenue Funded Account of the Reserve Fund pursuant to this paragraph (b) (the "Post-BRE Reserve Fund Requirement"), and thereafter, Revenues shall be deposited monthly into the Revenue Funded Account of the Reserve Fund in an amount which equals one-twelfth (1/12) of the amount necessary to make the deposit in such account equal to the Post-BRE Reserve Fund Requirement;

(c) to make such transfers, deposits and payments as may be required in connection with obligations issued or incurred by the Authority to reimburse a Bond Insurer in accordance with a Supplemental Indenture for amounts paid by such Bond Insurer under a municipal bond insurance policy (to the extent such amounts have not been paid to such Bond Insurer on account of its subrogation rights);

(d) to make such other transfers, deposits and payments as may be required in connection with Subordinated Indebtedness, including but not limited to the TIFIA Debt Service Fund for TIFIA Indebtedness, issued or incurred by the Authority pursuant to Section 5.16; provided, that with respect to TIFIA Indebtedness, the amount shall be the aggregate of one-twelfth (1/12th) of the annual principal amount due on the next Interest Payment Date on which principal is due and one-sixth (1/6th) of the semi-annual interest amount due on the next Interest Payment Date, all as provided in the TIFIA Loan Agreement;

(e) to make such transfers, deposits and payments to the Rebate Fund as may be required under Section 4.7 herein;

(f) to make such transfers, deposits and payments in such amounts as the Authority shall from time to time determine necessary to a special fund, which is hereby created and designated the "Delaware Transportation Authority U.S. 301 Project Revenue Bonds Operating Fund" (the "Operating Fund"), (i) to pay the Current Expenses that are then due and payable and (ii) to pay the Current Expenses that the Authority expects to become due and payable in the next succeeding calendar month; provided, however, so long as any TIFIA Indebtedness remains outstanding, funding of Current Expenses in excess of 110% of the Current Expenses shown in the Authority's Fiscal Year budget shall be subject to approval from the holder of the TIFIA Indebtedness;

(g) to the credit of the Repair and Replacement Fund if and to the extent the balance on deposit therein is less than the Repair and Replacement Fund Requirement, the amount necessary to cause the balance on deposit therein to equal the Repair and Replacement Fund Requirement; provided, that to the extent actual cost requirements for repair and replacement activities in any year exceeds the Repair and Replacement Fund Requirement for such year, no additional deposits shall be made to the Repair and Replacement Fund, and the Authority shall be required to fund such excess repair and replacement costs from amounts available to the Authority from other sources (including amounts held in the Toll Stabilization Fund subject to the provisions set forth in Section 4.6(f) herein);

(h) upon direction by the Authority, to make any required transfers, deposits and payments to a counterparty to an Approved Swap Agreement that is a subordinate obligation issued pursuant to Section 5.16 herein or that constitute Subordinated Hedging Termination Obligations under (and as defined in) the TIFIA Loan Agreement; and

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(i) to transfer to the Authority for deposit to the credit of the Toll Stabilization Fund, any Revenues remaining after making the deposits described in clauses (a) through (g), inclusive.

If the Revenues so transferred to the Trustee pursuant to the above clauses (a) through (d), inclusive, are less than the required amounts to be deposited therein, the Trustee shall promptly give telephonic or electronic notice to the 1988 Trustee and the Authority. Immediately upon receipt of such notice provided in the preceding sentence, the Authority and the Trustee shall direct the 1988 Trustee to transfer Pledged TTF Revenues (including any moneys held in the U.S. 301 Subordinate Indebtedness Account created pursuant to Supplemental Agreement No. 27) to the Trustee, in amounts sufficient to cause the balance on deposit in those funds and accounts identified in clauses (a) through (d), inclusive, to equal the amounts so required. The Trustee shall apply any Pledged TTF Revenues received from the 1988 Trustee solely to make up the deficiencies in the amounts on deposit in those funds and accounts identified in clauses (a) through (d), inclusive, that formed the basis for the Authority's and Trustee's request for Pledged TTF Revenues from the 1988 Trustee (and not deficiencies in any other fund or account).

If the Revenues so transferred to the Trustee pursuant to the foregoing, together with the amount on deposit in the Toll Stabilization Fund, are, on the last Business Day prior to an Interest Payment Date, less than the aggregate amount of the deposits required by clause (a)

above, then prior to any transfer of funds from the Reserve Fund, the Trustee shall promptly give telephonic or electronic notice to the Authority of the amount of the insufficiency (which notice shall be confirmed in writing as soon as reasonably practicable); and, not later than the Business Day following its receipt of such notice, the Authority shall transfer to the Trustee, from available moneys on deposit with the Authority the amount of such insufficiency.

If the Revenues transferred to the Trustee pursuant to this Section are at any time insufficient to make the deposits required by this Section, or at any time, the Authority may, at its election, deposit with the Trustee funds from any available sources with the direction that such funds be deposited into the funds and accounts or specified funds and accounts held by the Trustee.

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APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE 1988 TRUST AGREEMENT

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APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE 1988 TRUST AGREEMENT

The following is a general summary of certain provisions of the Trust Agreement, dated as of August 1, 1988, by and between the Delaware Transportation Authority (the "Authority") and Wilmington Trust Company, Wilmington, Delaware ("WTC") (WTC, not in its individual capacity but solely as trustee, the "1988 Trustee"), as supplemented and amended (the Trust Agreement as so supplemented and amended is hereinafter referred to as the "Agreement"). This Summary is not to be considered a full statement of the terms of the Agreement and accordingly is qualified by reference thereto and is subject to the full text thereof. Copies of the Agreement are available for examination at the offices of the 1988 Trustee and the Authority.

Definitions

"Accreted Value" shall mean, as of any date of computation with respect to any Compound Interest Bond, an amount equal to the principal amount of such Compound Interest Bond (the principal amount at its original issuance) plus the interest accrued on such Compound Interest Bond from the date of its original issuance to the Interest Payment Date next preceding the date of computation or the date of computation if an Interest Payment Date, such interest to accrue at the interest rate per annum of the Compound Interest Bonds set forth in the Supplemental Agreement authorizing the issuance of such Compound Interest Bonds, compounded on each Interest Payment Date, plus, with respect to matters related to the payment upon redemption or acceleration of the Compound Interest Bonds, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Interest Payment Date, calculated based upon an assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a year of 360 days consisting of twelve (12) months of thirty (30) days each.

"Act" shall mean the Delaware Transportation Authority Act, Chapter 13, Title 2, Delaware Code, as amended, and the Transportation Trust Fund Act, Chapter 14, Title 2, Delaware Code, as amended from time to time.

"Additional Revenues" shall mean any receipts or revenue of the Authority pledged to the 1988 Trustee for the benefit of the holders of the Bonds pursuant to a Supplemental Agreement and not pledged by the Agreement on the date of its initial execution and delivery. By Supplemental Agreement No. 3 dated as of August 1, 1990, the following were added as Additional Revenue: motor vehicle registration fees imposed by the State pursuant to Chapter 21, Title 21, Delaware Code, all fees which are collected by the Department of Public Safety and paid to the Transportation Trust Fund pursuant to Chapter 3, Title 21, Delaware Code, and investment income earned and received on assets held in the Trust Fund (provided that investment income shall not be treated as Additional Revenue for the purposes of the additional Bonds tests). By Supplemental Agreement No. 9 dated as of November 1, 1994, amounts received from the State and derived by the State from the hauling permits required under Chapter 45, Title 21, Delaware Code were added as Additional Revenue. The Chapter 3, Title 21 Additional Revenue pledged by Supplemental Agreement No. 3 and the Chapter 45, Title 21 Additional Revenue pledged by Supplemental Agreement No. 9 are referred to herein as "Pledged Miscellaneous Transportation Revenue".

"Agreement" shall mean the Trust Agreement, dated as of the 1st day of August, 1988, between the Authority and Wilmington Trust Company together with all agreements supplemental thereto as therein permitted.

"Annual Budget" shall mean the Authority's budget required to be prepared by the Act, showing, among other things, the expected deposits to the Funds created under the Agreement.

"Appreciated Value" shall mean, (i) as of any date of computation with respect to any Compound Interest and Income Bond prior to the Interest Commencement Date set forth in the Supplemental Agreement providing for the issuance of such Compound Interest and Income Bond, an amount equal to the principal amount of such Compound Interest and Income Bond (the principal amount at its original issuance) plus the interest accrued on such Compound

Interest and Income Bond from the date of original issuance of such Bond to the Interest Payment Date next preceding the date of computation or the date of computation if an Interest Payment Date, such interest to accrue at the rate per annum of the Compound Interest and Income Bonds set forth in the Supplemental Agreement providing for the issuance of such Compound Interest and Income Bond, compounded semiannually on each Interest Payment Date, plus, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Appreciated Value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Interest Payment Date calculated based upon an assumption that Appreciated Value accrues during any period in equal daily amounts on the basis of a year of 360 days consisting of twelve (12) months of thirty (30) days each, and (ii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

"Authority" shall mean the Delaware Transportation Authority, a body corporate and politic constituting a public instrumentality of The State of Delaware, and the successor or successors of the Authority.

"Bonds" or "Bond" shall mean Senior and/or Junior Bonds or Bond issued under the Agreement.

"Capital Fund" shall mean the Delaware Transportation Authority Capital Fund, a trust fund created and designated by the provisions of Article V of the Agreement.

"Compound Interest and Income Bonds" shall mean any Bonds as to which accruing interest is not paid prior to the Interest Commencement Date specified in the Supplemental Agreement providing for the issuance of such Bonds and the Appreciated Value for such Bonds is compounded semiannually on each of the applicable semiannual dates designated for compounding prior to the Interest Commencement Date for such Compound Interest and Income Bonds, all as so designated by the Supplemental Agreement providing for the issuance of such Bonds.

"Compound Interest Bonds" shall mean those Bonds as to which interest is compounded semiannually on each of the applicable semiannual dates designated for compounding and payable in an amount equal to the then current Accreted Value only at the maturity, earlier redemption or other payment date therefor, all as so designated by the Supplemental Agreement providing for the issuance of such Bonds.

"Credit Facility; Termination thereof; Expiration thereof" "Credit Facility" shall mean any of the following: (i) a letter of credit; and (ii) any other credit facility, insurance policy or other credit support agreement or mechanism obtained, delivered, made, entered into or otherwise arranged by the Authority for the purpose of securing, evidencing or being otherwise in furtherance of the obligations of the Authority under the Agreement or for the purpose of securing all or a portion of the Bonds, or for all of the foregoing purposes. Credit Facility shall include any agreement to reimburse the obligor of such Credit Facility for a drawing or advance under that Credit Facility as well as the agreement, if separate, which embodies the obligation of the obligor to the Authority or the 1988 Trustee permitting the Authority or the 1988 Trustee to draw or obtain advances under such Credit Facility. Any Credit Facility obtained to satisfy the debt service reserve account requirements for the Junior Bonds or the Senior Bonds which is an insurance policy must be rated at its issuance in the highest Rating Category by Moody's and S&P. Any such Credit Facility which is a letter of credit must be continuously rated in the highest Rating Category by Moody's and S&P. "Termination" (and other forms of the word "terminate") shall mean, when used with respect to any Credit Facility, the replacement, removal, surrender or other termination of such Credit Facility by the 1988 Trustee other than the Expiration of such Credit Facility. "Expiration" (and other forms of the word "expire") shall mean, when used with respect to any Credit Facility, the expiration or termination of such Credit Facility in accordance with its terms.

"Current Interest Bonds" shall mean any bonds the interest on which is paid at least semi-annually unless otherwise provided in a Supplemental Agreement.

"Defeased Municipal Obligations" shall mean obligations of state or local governments or obligations of public authorities or agencies which are rated in the highest Rating Category by S&P or Moody's and provisions for payment of which have been made by deposit of funds or investments with a trustee or escrow agent for the benefit of the holders of such Defeased Municipal Obligations.

"Delaware Turnpike" shall mean the toll express highway designated Delaware Interstate 95 extending from a point in the vicinity of Farnhurst, Delaware, to a point at or near the boundary line between the State of Delaware and the State of Maryland.

"Delaware Turnpike Revenues" shall mean all tolls, concession revenues and other revenues or receipts derived from the ownership, operation or maintenance of the Delaware Turnpike.

"Document Fees" shall mean the fees derived from motor vehicle document fees imposed by the State of Delaware pursuant to Section 3002, Chapter 30, Title 30, Delaware Code, as amended, from time to time, and successor sections of the Delaware Code.

"Engineering Consultants" shall mean a firm or corporation having a nationwide and favorable repute for skill and experience in all phases of turnpike engineering and maintenance and in estimating operating expenses incurred in operating toll turnpikes.

"Fiscal Year" shall mean the period commencing on the first day of July of any year and ending on the last day of June of the following year.

"Government Obligations" shall mean (a) direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America and entitled to the full faith and credit thereof; (b) certificates, depositary receipts or other instruments which evidence a direct ownership interest in obligations described in clause (a) above or in any specific interest or principal payments due in respect thereof; provided, however, that the custodian of such obligations or specific interest or principal payments shall be a bank or trust company organized under the laws of the United States of America or of any state or territory thereof or of the District of Columbia, with a combined capital stock surplus and undivided profits of at least $50,000,000 or the custodian is appointed by or on behalf of the United States of America; and provided, further, that except as may be otherwise required by law, such custodian shall be obligated to pay to the holders of such certificates, depositary receipts or other instruments the full amount received by such custodian in respect of such obligations or specific payments and shall not be permitted to make any deduction therefrom; and (c) Defeased Municipal Obligations.

"Interest Commencement Date" shall mean with respect to any particular Compound Interest and Income Bond, the date which must be an Interest Payment Date, as set forth in the Supplemental Agreement providing for the issuance of such Bond (which date must be prior to the scheduled maturity date for such Bond) after which interest accruing on such Bond shall be payable semiannually, with the first such payment being the applicable Interest Payment Date immediately succeeding such Interest Commencement Date.

"Investment Account" shall mean the Delaware Transportation Authority Investment Account, a trust fund created and designated by the provisions of Section 4.01 ("Creation of Funds") of the Agreement.

"Junior Bonds" shall mean Bonds, at any time Outstanding, the principal and interest on which are payable from the Junior Bonds Principal and Interest Account, the Junior Bonds Redemption Account and, as provided in the Agreement, from the Junior Bonds Debt Service Reserve Account and by their terms, subordinate in right of payment to Senior Bonds (except with respect to Junior Bonds Priority Funds) but senior in their right of payment to Subordinate Indebtedness.

"Junior Bonds Debt Service Reserve Account" shall mean the Delaware Transportation Authority Junior Bonds Debt Service Reserve Account, a trust fund created and designated by the provisions of Section 4.01 ("Creation of Funds") of the Agreement.

"Junior Bonds Debt Service Reserve Account Requirement" shall mean, as of any date of determination, an amount equal to one-half the maximum Principal and Interest Requirements on Junior Bonds then Outstanding; provided that with respect to any Junior Bonds bearing interest at the Short-Term Rate, such requirement shall be determined by Supplemental Agreements.

"Junior Bonds Principal and Interest Account" shall mean the Delaware Transportation Authority Junior Bonds Principal and Interest Account, a trust fund created and designated by the provisions of Section 4.01 ("Creation of Funds") of the Agreement.

"Junior Bonds Priority Funds" shall mean moneys on deposit in and/or payable under a Credit Facility to the Junior Bonds Principal and Interest Account, Junior Bonds Redemption Account and/or the Junior Bonds Debt Service Reserve Account.

"Junior Bonds Redemption Account" shall mean the Delaware Transportation Authority Junior Bonds Redemption Account, a trust fund created and designated by the provisions of Section 4.01 ("Creation of Funds") of the Agreement.

"Maximum Principal and Interest Requirement" shall mean the maximum principal and interest payable in any Fiscal Year with respect to Senior Bonds or Junior Bonds, as the case may be, less the sum of the proceeds of such Bonds issued to fund interest of such series of Bonds during the Fiscal Year of calculation.

"Motor Fuel Tax Revenues" shall mean the revenues derived from the motor fuel tax imposed by the State pursuant to Chapter 51, Title 30, Delaware Code, as amended, from time to time, and successor provisions of the Delaware Code.

"Non-Delaware Turnpike Operating Account" shall mean the trust fund created and designated in the Revenue Fund by the provisions of Supplemental Agreement No. 27.

"Operating Fund" shall mean the Delaware Transportation Authority Operating Fund, a trust fund created and designated by the provisions of Section 4.01 ("Creation of Funds") of the Agreement.

"Operating Reserve Fund" shall mean the Delaware Transportation Authority Operating Reserve Fund, a trust fund created and designated by the provisions of Section 4.01 ("Creation of Funds") of the Agreement.

"Other Projects Account" shall mean the Delaware Transportation Authority Other Projects Account, a trust fund created and designated in Section 5.01 ("Capital Fund") of the Agreement.

"Outstanding" when used in reference to the Bonds, shall mean, at any particular date, the aggregate of all Bonds authenticated and delivered under the Agreement except:

(a) those Bonds cancelled at or prior to such date or delivered to or acquired by the 1988 Trustee at or prior to such date for cancellation;

(b) those deemed to be paid in accordance with Article VIII ("Defeasance") of the Agreement;

(c) those deemed to be purchased in accordance with any agreement with a Tender Agent or Remarketing Agent; and

(d) those in lieu of or in exchange or substitution for which other Bonds shall have been authenticated and delivered pursuant to the Agreement.

"Principal" or "principal amount" shall mean (i) with respect to any Compound Interest and Income Bond, the Appreciated Value thereof and with respect to any Compound Interest Bond, the Accreted Value thereof (the difference between the stated amount to be paid at maturity and the Appreciated Value or the Accreted Value, as the case may be, being deemed unearned interest) except as used in connection with the authorization and issuance of Bonds and with the order of priority of payments of Bonds after an Event of Default (of which the 1988 Trustee has notice within the meaning of Section 10.05 of the Agreement), in which case "principal" means the initial public offering price of a Compound Interest and Income Bond and a Compound Interest Bond (the difference between the Appreciated Value or the Accreted Value, as the case may be, and the initial public offering price being deemed interest) and (ii) with respect to any Current Interest Bond, the principal amount of such Bond payable at maturity.

"Principal and Interest Requirements" shall mean for any Fiscal Year:

(a) as applied to any Outstanding Bonds (except as provided in clauses (b), (c), (d) and (e) below), the sum of:

(i) the amount required to pay interest and any annual or other periodic fee payable to the provider of a Credit Facility ensuring the payment of principal of and interest on all serial Bonds then Outstanding which is payable in such Fiscal Year (and on any July 1 of the following Fiscal Year if any interest payable on July 1 of the Fiscal Year of calculation is excluded);

(ii) the amount required to pay principal of all serial Bonds then Outstanding which is payable in such Fiscal Year (and on any July 1 of the following Fiscal Year if the principal payment due on any July 1 of the Fiscal Year of calculation is excluded);

(iii) the amount required to pay interest and any annual or other periodic fee payable to the provider of a Credit Facility ensuring the payment of principal of and interest on all term Bonds then Outstanding which is payable in such Fiscal Year (and on any July 1 of the following Fiscal Year if interest payable on any July 1 of the Fiscal Year of calculation is excluded); and

(iv) the amount required to meet the Sinking Fund Payments on all term Bonds then Outstanding which is payable in such Fiscal Year (and on any July 1 of the following Fiscal Year if the amount required to meet the Sinking Fund Payment on any July 1 of the Fiscal Year of calculation is excluded);

(b) as applied to Bonds of any series which are payable in a Fiscal Year by virtue of the right of a holder of Bonds to demand repurchase or repayment prior to their scheduled maturity (after taking into account all scheduled mandatory redemptions or prepayments payable over the life of those Bonds):

(i) the amount required to pay interest and any annual or other periodic fee payable to the provider of a Credit Facility ensuring the payment of principal of and interest on such Bonds then Outstanding which is payable in a Fiscal Year (and on any July 1 of the following Fiscal Year if interest payable on any July 1 of the Fiscal Year of calculation is excluded);

(ii) the amount required to pay principal of such Bonds then Outstanding which is payable in a Fiscal Year (and on any July 1 of the following Fiscal Year if principal payable on any July 1 of the Fiscal Year of calculation is excluded) assuming that the principal amount of such Bonds which is subject to repurchase or repayment prior to its scheduled maturity shall be required to be repurchased or repaid on the earliest date on which such demand can be made or on which by its terms it can be required to be repaid;

(iii) notwithstanding items (i) and (ii) in this clause (b), if the Authority has delivered a Credit Facility to the 1988 Trustee under which money is available for the payment of all or a portion of such Bonds (a "balloon payment") (provided that if the Credit Facility is scheduled to expire prior to the date of payment of the balloon payment, the amount available under the Credit Facility is required to be drawn and applied to the payment of the balloon payment unless the Credit Facility is replaced or renewed prior to such Expiration date) Principal and Interest Requirements shall be calculated as follows: (1) it shall be assumed that the amounts available under the Credit Facility are drawn on the earlier of the balloon payment date or the Expiration or Termination date of the Credit Facility; (2) the Principal and Interest Requirements on the Bonds for each Fiscal Year prior to the Fiscal Year of the assumed date of drawing on the Credit Facility shall be deemed to be equal to the amount of principal and interest payments scheduled to be paid; and (3) the Principal and Interest Requirements for the Fiscal Year of the assumed draw under the Credit Facility and for each Fiscal Year thereafter shall be deemed to be equal to the sum of the principal and interest payable during such period by the terms of the Credit Facility and the principal and interest payments of other Bonds of that series for which amounts are not available under the Credit Facility;

(c) with respect to any Bonds bearing interest at the Short-Term Rate, for purposes of calculations made under (a) or (b) above, interest payments shall be the sum of:

(i) the maximum interest rate payable at the Short-Term Rate as determined by the Supplemental Agreement pursuant to which such Bonds are issued, or, if higher, the maximum rate payable on the Bonds if held by any provider of a Credit Facility ensuring the payment of principal of and interest on such Bonds but only to the extent that such interest is payable from a Debt Service Fund; and

(ii) any annual or other periodic fee payable to the provider of a Credit Facility ensuring the payment of principal of and interest on the Bonds subject to the foregoing calculations;

(d) Notwithstanding the foregoing provisions of this definition with respect to any Bonds bearing interest at the Commercial Paper Rate, the payment of principal of and interest on which is ensured by the provider of a Credit Facility, Principal and Interest Requirements for each Fiscal Year shall be calculated assuming level debt service over 20 years with interest, for purposes of that calculation, at the maximum allowable rate on the date of initial issuance of Bonds bearing interest at the Commercial Paper Rate as determined by the Supplemental Agreement pursuant to which such Bonds are issued, or, if higher, the maximum rate payable on such Bonds if held by such provider of the Credit Facility but only to the extent that such interest is payable from a Debt Service Fund;

(e) Notwithstanding the foregoing provisions of this definition, Principal and Interest Requirements with respect to Compound Interest Bonds and Compound Interest and Income Bonds (each of such Bonds may comprise a portion of a series) shall be determined by the Supplemental Agreement providing for the issuance of any such Bonds but in any event, shall commence on the Interest Commencement Date with respect to Compound Interest and Income Bonds and, with respect to Compound Interest Bonds, either six months or one year prior (or such lesser time prior, as provided in the applicable Supplemental Agreement) to the date on which Accreted Value becomes due and payable with principal and interest portions of Accreted Value payable on such due date being deemed to accrue in equal daily installments commencing on the first day of such one year period (or such other period as is provided in the Supplemental Agreement pursuant to which such Bonds are issued).

"Project" shall mean any project which the Authority is authorized to finance under the provisions of the Act.

"Qualified Investments" shall mean

(a) (i) Government Obligations and (ii) bonds, debentures, notes or other obligations issued or guaranteed by any of the following: Federal National Mortgage Association, the Federal Financing Bank, the Federal Home Loan Mortgage Association, the Federal Housing Administration, the Farmers Home Administration, the Government National Mortgage Association, or by any other agency controlled by or supervised by and acting as an instrumentality of the United States Government (except for the Federal Farm Credit Bank, the Federal Land Bank, the Federal Intermediate Credit Bank, the Federal Home Loan Banks, or the Federal Bank for Cooperatives),

(b) certificates of deposit issued by, and time deposits in, any bank (including the 1988 Trustee), any branch of any bank, national banking association or federally chartered savings and loan association; provided that, with respect to any of the foregoing institutions, other than the 1988 Trustee, whose long-term unsecured indebtedness is rated less than A by Moody's or S &P, such certificates of deposit or time deposits are (i) insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation for the full face amount thereof or (ii) to the extent not so insured, collateralized by direct obligations of the United States of America having a market value of not less than the face amount of such certificates and deposits,

(c) evidences of ownership of a proportionate interest in specified direct obligations of the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, or when "stripped" by the United States Treasury, then by the custodian designated by the United States Treasury,

(d) Defeased Municipal Obligations,

(e) obligations of state or local government municipal bond issuers which are rated in one of the two highest Rating Categories by S&P or Moody's,

(f) obligations of state or local government municipal bond issuers, the principal of and interest on which, when due and payable, have been insured by an insurance policy or guaranteed by a letter of credit and which are rated in one of the two highest Rating Categories by S&P or Moody's despite the failure of such obligations to qualify as a Qualified Investment under (e) above,

(g) interests in a money market mutual fund registered under the Investment Company Act of 1940, 15 U.S.C. §§80-1, et seq., as from time to time amended, the portfolio of which is limited to obligations described in clause (a), (e) or (f) above and repurchase agreements fully collateralized thereby provided that such fund has total assets of at least $100,000,000 and is rated in the highest Rating Category by S&P or Moody's,

(h) evidences of ownership of a proportionate interest in specified Defeased Municipal Obligations which Defeased Municipal Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian,

(i) any repurchase agreement for Government Obligations by the 1988 Trustee that is with a bank or trust company (including the 1988 Trustee) or any securities dealer which is a member of the Securities Investors Protective Corporation; provided, however, that the Government Obligations must be transferred to the 1988 Trustee or a third party agent by physical delivery or by an entry made on the records of the issuer of such obligations, and the collateral security must continually have a market value at least equal to the amount so invested and the collateral must be free of third party claims, and further provided that (i) in the case of a bank or trust company, such institution shall have a combined capital and surplus of not less than $50,000,000 or have ratings from S&P or Moody's in one of their three highest Rating Categories and (ii) in the case of a securities dealer, such dealer is a member of the National Association of Securities Dealers, Inc. Any investment in a repurchase agreement shall be considered to mature on the date the bank, trust company or recognized securities dealer providing the repurchase agreement is obligated to repurchase the Government Obligations, and

(j) commercial paper rated in the highest Rating Category by either S&P or Moody's.

Any investment in obligations described in (a), (c), (d), (e), (f), (g), (h) and (j) above may be made in the form of an entry made on the records of the issuer of the particular obligation.

"Rebate Account" shall mean the Delaware Transportation Authority Rebate Account, a special fund created and designated by the provisions of Section 7.22 of the Agreement.

"Receipts and Revenues of the Authority" shall mean all moneys paid or payable to the 1988 Trustee by or for the account of the Authority, including, but not limited to, Motor Fuel Tax Revenues, Delaware Turnpike Revenues, Document Fees, the proceeds of all drawings by or advances to the 1988 Trustee under a Credit Facility in satisfaction of the Authority's obligations to make payments under the Agreement (other than drawings or advances under Credit Facilities ensuring payment of principal of and interest on Bonds), all Additional Revenues and all receipts of the 1988 Trustee which, under the provisions of the Agreement, reduce the amount of such payments.

"Revenue Account" shall mean the Delaware Transportation Authority Revenue Account, a trust fund created and designated by the provisions of Section 4.01 ("Creation of Funds") of the Agreement.

"Revenue Fund" shall mean the Delaware Transportation Authority Revenue Fund, a trust fund created and designated by the provisions of Section 4.01 ("Creation of Funds") of the Agreement.

"Senior Bonds" shall mean Bonds, at any time Outstanding, that by their terms are senior in right of payment to Junior Bonds (except Junior Bonds to the extent payable from Junior Bonds Priority Funds) and the principal and interest on which are payable from the Senior Bonds Principal and Interest Account, the Seniors Bonds Redemption Account and, as provided in the Agreement, from the Senior Bonds Debt Service Reserve Account.

"Senior Bonds Debt Service Reserve Account" shall mean the Delaware Transportation Authority Senior Bonds Debt Service Reserve Account, a trust fund created and designated by the provisions of Section 4.01 ("Creation of Funds") of the Agreement.

"Senior Bonds Debt Service Reserve Account Requirement" shall mean as of any date of determination, an amount equal to one-half of the maximum Principal and Interest Requirements on Senior Bonds then Outstanding (subject to the provisions of Section 4.05 of the Agreement); provided that with respect to any Senior Bonds bearing interest at the Short-Term Rate, such requirement shall be determined by Supplemental Agreements.

"Senior Bonds Principal and Interest Account" shall mean the Delaware Transportation Authority Senior Bonds Principal and Interest Account, a trust fund created and designated by the provisions of Section 4.01 ("Creation of Funds") of the Agreement.

"Senior Bonds Redemption Account" shall mean the Delaware Transportation Authority Senior Bonds Redemption Account, a trust fund created and designated by the provisions of Section 4.01 ("Creation of Funds") of the Agreement.

"Stabilization Fund" shall mean the Delaware Transportation Authority Debt Service Stabilization Fund, a trust fund created and designated by the provisions of Section 4.01 ("Creation of Funds") of the Agreement.

"Subordinate Indebtedness" shall mean obligations of the Authority issued pursuant to the Agreement on a basis subordinate to the lien of the holders of Bonds in the Receipts and Revenues of the Authority.

"Supplemental Agreement" shall mean any agreement of the Authority modifying, altering, amending, supplementing or confirming the Agreement for any purpose, in accordance with the terms thereof.

"Supplemental Agreement No. 27" shall mean the Supplemental Agreement No. 27 to Trust Agreement dated as of December 1, 2015 between the Authority and the 1988 Trustee.

"Tender Agent" shall mean the agent appointed in accordance with a Supplemental Agreement to accept the tender of Bonds, as determined by such Supplemental Agreement.

"Test Revenues" shall mean the aggregate amount of Delaware Turnpike Revenues, Motor Fuel Tax Revenues, Document Fees and Additional Revenues, as calculated pursuant to Section 2.07(b)(i) of the Agreement.

"Traffic Consultants" shall mean a firm or corporation having a nationwide and favorable repute for skill and experience in making estimates of vehicular traffic, turnpike earnings, fees and taxes related to motor vehicle use and/or other transportation related matters with respect to which the Traffic Consultants are providing projections, estimates or other advice and counsel described in the Agreement.

"Trust Estate" shall mean at any particular time all right, title and interest of the 1988 Trustee in and to the Agreement (except any rights of the Authority to receive notices, certificates, requests, requisitions and other communications thereunder), including without limitation the Receipts and Revenues of the Authority, any Credit Facility (excluding the rights to make drawings thereunder with respect to the payment or purchase of Bonds and proceeds of such drawings), the Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Stabilization Fund (but not the Operating Fund and the Operating Reserve Fund) and the Capital Fund (and Funds created in those Funds) and all moneys and investments from time to time on deposit therein (excluding, however, any moneys or investments held in the Rebate Account), any and all other moneys and obligations (other than Bonds) which at such time are deposited or are required to be deposited with, or are held or are required to be held by or on behalf of, the 1988 Trustee, the Paying Agent or any Co-Paying Agent in trust under any of the provisions of the Agreement and all other rights, titles and interests which at such time are subject to the lien of the Agreement; provided, however, that in no event shall there be included in the Trust Estate (a) moneys or obligations deposited with or paid to the 1988 Trustee for the redemption or payment of Bonds which are deemed to have been paid in accordance with Article VIII ("Defeasance") of the Agreement or moneys held pursuant to Section 4.10 ("Money Held in Trust") and 7.22 ("Rebate Account") of the Agreement or (b) except as therein expressly provided, any moneys held by the Tender Agent or any other person for the purchase of Bonds or for payment of Bonds held or to be held by it pursuant to a draw under a Credit Facility; provided, further, however that advances or drawings under a Credit Facility may be subject to a lien under the Agreement in favor of holders of less than all of the Bonds Outstanding, as provided in any Supplemental Agreement and the lien of the holders of Junior Bonds shall be subordinate and subject in right of payment, to the extent and in the manner set forth in the Agreement, to the prior payment of all Senior Bonds but prior to the rights of holders of Senior Bonds with respect to the Junior Bonds Priority Funds.

"Turnpike Account" shall mean the Delaware Transportation Authority Turnpike Account created and designated by the provisions of Section 5.01 of the Agreement.

"Turnpike Operating Expenses" shall mean the Authority's reasonable and necessary current expenses of operating, maintaining and repairing the Delaware Turnpike and shall include, without limiting the generality of the foregoing, all ordinary and usual expenses of operation, maintenance and repair, which may include extraordinary operating, maintenance and repair expenses not annually recurring, ordinary and usual costs of equipment acquisition, premiums for insurance, fees and expenses of any Credit Facility, all administrative and engineering expenses relating to operation, maintenance and repair of the Delaware Turnpike (excluding administrative expenses of the Authority paid by the State, if any), legal expenses, advertising expenses, any taxes or assessments lawfully levied on the Delaware Turnpike, any payments to pension or retirement funds, any payments required to be made by the Authority under any interest rate exchange agreement entered into by the Authority, any other expenses required or permitted to be paid by the Authority under the provisions of the Agreement or by law including any expenses incurred by the Authority for any of the foregoing purposes.

"U.S. 301 Subordinate Indebtedness Account" shall mean the trust fund created and designated in the Revenue Fund by the provisions of Supplemental Agreement No. 27.

"Variable Rate" shall mean an interest rate on a Bond that varies from period to period during the term of the Bond, which may or may not be subject to a put, and which may include an interest rate fixed for a period of time less than the term of the Bond, all as determined pursuant to a Supplemental Agreement.

Pledge and Assignment of Revenue

In the Agreement the Authority grants, bargains, sells, conveys, mortgages, pledges and assigns, and grants a security interest in, the Trust Estate to the 1988 Trustee, its successors in trust and their assigns forever in trust upon the terms and trusts therein set forth for the equal and proportionate benefit and security of all holders of the Bonds issued under and secured by the Agreement without preference, priority or distinction as to liens of any Bonds over any other Bonds except as otherwise provided therein or in any Supplemental Agreement; provided, however, that (a) the holders of Senior Bonds shall have a prior and superior lien on the Funds created under the Agreement to the lien of the holders of the Junior Bonds except with respect to the lien on the Junior Bonds Principal and Interest Account, the Junior Bonds Redemption Account and the Junior Bonds Debt Service Reserve Account (the lien of the holders of Junior Bonds on the Junior Bonds Principal and Interest Account, the Junior Bonds Redemption Account and the Junior Bonds Debt Service Reserve Account shall be prior and superior to the lien of the holders of Senior Bonds); (b) certain holders of Senior Bonds may be given a prior and superior lien to holders of other Senior Bonds in a Fund into which are only deposited proceeds of such Bonds together with interest thereon and investment proceeds thereof; (c) the holders of certain Bonds may be given a prior and superior lien in accounts into which are deposited proceeds of advances or draws under a Credit Facility ensuring the payment of such Bonds to the extent of any such deposit; and (d) proceeds of advances or draws under a Credit Facility ensuring the payment of principal of and interest on any series of Bonds shall be excluded from the pledge and assignment of the Trust Estate although held for the benefit of holders of Bonds.

Flow of Funds

Creation of Funds. The Agreement creates and establishes with the 1988 Trustee the following trust funds, and within those funds, the following accounts:

Revenue Fund
- Revenue Account
- Investment Account
- U.S. 301 Subordinate Indebtedness Account
- Non-Delaware Turnpike Operating Account

Debt Service Fund

Senior Bonds Principal and Interest Account
Junior Bonds Principal and Interest Account
Senior Bonds Redemption Account
Junior Bonds Redemption Account

Stabilization Fund

Debt Service Reserve Fund

Senior Bonds Debt Service Reserve Account
Junior Bonds Debt Service Reserve Account

Operating Fund

Operating Reserve Fund

Capital Fund

Turnpike Account
Other Projects Account
Settlement Account

Deposits to Revenue Fund. Receipts and Revenues of the Authority constituting Delaware Turnpike Revenue, Motor Fuel Tax Revenue, Document Fees and Additional Revenues shall be deposited in the Revenue Account. Earnings derived from any Fund created under the provisions of the Agreement other than the Rebate Account shall be deposited in the Investment Account.

Use of Money in Revenue Fund. It shall be the duty of the 1988 Trustee, on or before the 15th day of each month, to withdraw from the Revenue Account and the Investment Account an amount equal to the amount of all moneys held for the credit of those accounts on the tenth day of that month and deposit the sum so withdrawn to the credit of the following Funds in the following order (provided that the 1988 Trustee first apply amounts in the Revenue Account to the credit of the following Funds):

(a) to the credit of the Senior Bonds Principal and Interest Account, such sum, if any, required to increase the amount in said account so that it equals the total of (a) the sum obtained by multiplying one sixth (1/6) of all unpaid interest on Senior Bonds (or interest on any obligation under any Credit Facility drawn upon to purchase any Senior Bonds and required to be paid under the terms of such Credit Facility in the next six months) due and payable on or before the next succeeding Interest Payment Date by the number of months in the period beginning seven months prior to such Interest Payment Date and ending on the date of such computation (provided that with respect to Senior Bonds bearing interest at intervals more frequently than once every six months or at a variable rate, the 1988 Trustee shall deposit such amounts as are necessary to pay interest on such Senior Bonds when due as provided in the applicable Supplemental Agreement) and (b) the sum obtained by multiplying one-twelfth (1/12) of all unpaid principal of serial Senior Bonds (or amounts attributable to principal of such Senior Bonds acquired by a drawing under a Credit Facility and required to be paid under the terms of such Credit Facility in the next twelve months) due and payable on or before the date when the next installation of serial Senior Bonds shall mature by the number of whole months in the period beginning thirteen months prior to such date and ending on the date of such computation;

(b) to the credit of the Senior Bonds Redemption Account, a sum obtained by multiplying one-twelfth (1/12) of the principal amount of the then Outstanding term Senior Bonds of each series required to be retired in satisfaction of Sinking Fund Payments therefor in the next succeeding twelve months (or amounts attributable to principal of Senior Bonds acquired by a drawing under a Credit Facility and required to be paid under the terms of the Credit Facility in the next succeeding twelve months) by the number of whole months in the period beginning thirteen months prior to such date and ending on the date of such computation;

(c) to the credit of the Senior Bonds Debt Service Reserve Account such amount, if any, of the balance remaining after making the deposits under clauses (a) and (b) above (or the entire balance if less than the required amount) as may be required to make the amount then to the credit of the Senior Bonds Debt Service Reserve Account equal to the Senior Bonds Debt Service Reserve Account Requirement or such greater amount as shall be determined by the Authority pursuant to a Supplemental Agreement provided such amount is originally funded with proceeds of Bonds or satisfied by a Credit Facility;

(d) to the credit of the Junior Bonds Principal and Interest Account, such sum, if any, required to increase the amount in said account so that it equals the total of (a) the sum obtained by multiplying one sixth (1/6th) of all unpaid interest on Junior Bonds (or interest on any obligation under any Credit Facility drawn upon to acquire any Junior Bonds and required to be paid under the terms of such Credit Facility in the next six months) due and payable on or before the next succeeding Interest Payment Date by the number of whole months in the period beginning seven months prior to such Interest Payment Date and ending on the date of such computation (provided that with respect to Junior Bonds bearing interest at intervals more frequently than once every six months or at a variable rate, the 1988 Trustee shall deposit such amounts as are necessary to pay interest on such Junior Bonds when due as provided in the applicable Supplemental Agreement) and (b) the sum obtained by multiplying one-twelfth (1/12th) of all unpaid principal of serial Junior Bonds (or amounts attributable to principal of such Bonds acquired by a drawing under a Credit Facility and required to be paid under the terms of such Credit Facility in the next twelve months) due and payable on or before the date when the next installment of serial Junior Bonds shall mature by the number of whole months in the period beginning thirteen months prior to such date and ending on the date of such computation;

(e) to the credit of the Junior Bonds Redemption Account, a sum obtained by multiplying one-twelfth (1/12th) of the principal amount of the then Outstanding term Junior Bonds of each series required to be retired in satisfaction of Sinking Fund Payments therefor in the next succeeding twelve months (or amounts attributable to principal of Junior Bonds acquired by a drawing under a Credit Facility and required to be paid under the terms of the Credit Facility in the next twelve months) by the number of whole months in the period beginning thirteen months prior to such date and ending on the date of such computation;

(f) to the credit of the Junior Bonds Debt Service Reserve Account, such amount, if any, of the balance remaining after making the deposits under clauses (d) and (e) above (or the entire balance if less than the required amount) as may be required to make the amount then to the credit of the Junior Bonds Debt Service Reserve Account equal to the Junior Bonds Debt Service Reserve Account Requirement or such greater amount as shall be determined by the Authority by resolution from time to time filed with the 1988 Trustee;

(g) to the credit of the Operating Fund, an amount necessary to increase the amount in said Fund to an amount equal to one-sixth (1/6) of the amount set forth in the Annual Budget to be expended from said Fund;

(h) if and only if the most recently-filed certificate of the Authority described in Section 4.05(d) of the Agreement (dealing with the debt service reserve find) indicates that Test Revenues do not cover maximum Principal and Interest Requirements of the Senior Bonds Outstanding by at least 3.00 times, then to the credit of the Operating Reserve Fund, an amount necessary to increase the amount in said Fund to an amount equal to one-sixth (1/6) of the amount set forth in the Annual Budget to be expended from the Operating Fund for the Delaware Turnpike;

(i) to the credit of the Stabilization Fund, an amount, together with any other amount credited to such Fund, equal to an amount to be determined by the Authority in a Supplemental Agreement with the initial deposit required to be made to the Stabilization Fund when a determination is made by the Authority that Test Revenues are less than 3.5 times the maximum Principal and Interest Requirements on Senior Bonds Outstanding; and

(j) to the credit of the U.S. 301 Subordinate Indebtedness Account. If the Trustee receives notice on or prior to the fifteenth (15th) day of any month from the Authority or the trustee under that certain Master Trust Indenture dated as of December 1, 2015 (the "301 Indenture") between the Authority and Wilmington Trust, National Association, as trustee (the "301 Trustee") that amounts deposited in and credited to those certain funds and accounts identified in paragraphs (a) through (d), inclusive, of Section 4.2 of the 301 Indenture are less than the required amounts to be deposited therein, the Trustee shall cause the monies deposited into the U.S. 301 Subordinate Indebtedness Account on or prior to the fifteenth (15th) day of such month to be transferred as directed by the 301 Trustee to cause the balance on deposit in those funds and accounts identified in paragraphs (a) through (d), inclusive, of Section 4.2 of the 301 Indenture to equal the amounts so required. If the Trustee does not receive any notice described in the preceding sentence on or prior to the fifteenth (15th) day of any month, the Trustee shall release all monies held in the U.S. 301 Subordinate Indebtedness Account as set forth in paragraph (l) below.

(k) after all amounts have been deposited pursuant to the above paragraphs (a) through (j), inclusive, to the credit of the Non-Delaware Turnpike Operating Account, an amount equal to one-sixth (1/6) of the amount set forth in the Authority's Annual Budget for operating expenses after subtracting for such Annual Budget the amount budgeted for Turnpike Operating Expenses.

(l) the remainder, if any, to the Authority, free of the lien of the Agreement, for deposit to the Transportation Trust Fund, subject to the obligation to transfer interest earned on assets held therein to the Revenue Fund.

Deposits to and Uses of Funds in the Capital Fund. Bond proceeds borrowed for capital projects are deposited into the Capital Fund and disbursed by the 1988 Trustee to the Authority to pay for authorized projects in accordance with a requisition procedure provided in the Agreement. In payment of any such requisition, the 1988 Trustee is entitled to rely as to the completeness and accuracy of all statements in such requisition upon the approval of such requisition by an Authorized Authority Representative, execution thereof to be conclusive evidence of such approval.

Deposits to and Uses of Funds in the Operating Fund. Moneys deposited in the Operating Fund pursuant to provisions of the Agreement for the purposes of paying Turnpike Operating Expenses shall be limited to an annual growth rate equal to the greater of (i) the percentage increase in Receipts and Revenues of the Authority from the prior year or (ii) three percent (3%). Moneys in the Operating Fund shall be held by the Trustee in trust and used to pay Turnpike Operating Expenses, including all amounts required for payment by the Authority under any interest rate exchange agreement entered into by the Authority, and any other amounts contemplated to be met in the Annual Budget with respect to Turnpike Operating Expenses to the extent provision is made in the Annual Budget to meet such expenditures. Payments from the Operating Fund shall be made in accordance with the provisions of the Agreement, and before any amount shall be withdrawn from the Operating Fund, the Authority shall file with the Trustee a requisition as set forth in the Agreement.

Deposits to and Uses of Funds in the U.S. 301 Subordinate Indebtedness Account. Moneys deposited in the U.S. 301 Subordinate Indebtedness Account pursuant to the provisions of Supplemental Agreement No. 27 shall be held by the Trustee in trust and used to pay any deficiencies identified by the 301 Trustee in those certain funds and accounts identified in paragraphs (a) through (d), inclusive, of Section 4.2 of the 301 Indenture. If the Trustee receives notice from the 301 Trustee of any such deficiencies in those specific funds and accounts under the 301 Indenture, it shall cause the monies held in the U.S. 301 Subordinate Indebtedness Account to be transferred on or prior to the fifteenth (15th) day of such month to the 301 Trustee to cause the balances contained in such funds and accounts under the 301 Indenture to equal the amounts so required. If the Trustee does not receive any notice from the 301 Trustee on or before the fifteenth (15th) day of any month as described in the prior sentence, the Trustee shall release all monies held in the U.S. 301 Subordinated Indebtedness Account in accordance with the provisions of the Agreement.

Deposits to and Uses of Funds in the Non-Delaware Turnpike Operating Account. Moneys in the Non-Delaware Turnpike Operating Account shall be held by the Trustee in trust and used to pay any amounts contemplated to be met in the Annual Budget with respect to operating expenses (other than Turnpike Operating Expenses) of the Authority to the extent provision is made in the Annual Budget to meet such expenditures. Payments from the Non-Delaware Turnpike Operating Account shall be made in accordance with the provisions of the Agreement, and before any amount shall be withdrawn from the Non-Delaware Turnpike Operating Account, the Authority shall file with the Trustee a requisition as set forth in the Agreement.

Additional Bonds; Debt Service Reserve Fund. In addition to the requirements described in the body of this Official Statement no additional Bonds may be issued under the Agreement, unless the 1988 Trustee shall deduct from the proceeds of such additional Bonds and deposit to the credit of the appropriate account in the Debt Service Reserve Fund such amount, if any, as may be required to make the amount then to the credit of the appropriate account in the Debt Service Reserve Fund equal to the Senior Bonds Debt Service Reserve Account Requirement and/or the Junior Bonds Debt Service Reserve Account Requirement, as the case may be. The 1988 Trustee shall also deduct from such proceeds and deposit to the credit of the Stabilization Fund such amount, if any, as may be required to be deposited to the Stabilization Fund unless the Authority certifies to the 1988 Trustee that the Annual Budget has made provision for the amount required to be deposited in the current Fiscal Year and that such amount shall be available in amounts and at the times required by Supplemental Agreements.

Investment of Funds

The moneys in the Funds shall, at the direction of the Authority, be invested and reinvested in Qualified Investments, provided, however, that moneys constituting proceeds of a drawing on a Credit Facility and, while the Credit Facility is in effect ensuring the payment of principal and interest on a series of Bonds, any moneys held by the Paying Agent pursuant to Section 4.10 ("Money Held in Trust"), of the Agreement or by a Tender Agent, Remarketing Agent or other similar person for the purchase or redemption of Bonds shall be invested only in Government Obligations which have a remaining term not exceeding 30 days or such shorter period as needed. Subject to the further provisions of Section 6.01 of the Agreement, such investments shall be made by the 1988 Trustee as directed and designated by the Authority in a certificate of, or telephonic advice promptly confirmed by a certificate of, an Authorized Authority Representative. As and when any amounts thus invested may be needed for disbursements from any Fund, the 1988 Trustee shall cause a sufficient amount of such investments to be sold or otherwise converted into cash to the credit of such Fund. As long as no Event of Default (as defined in Section 9.01 ("Events of Default") of the Agreement) shall have occurred and be continuing, the Authority shall have the right to designate the investments to be sold and to otherwise direct the 1988 Trustee in the sale or conversion to cash of the investments made with the moneys in the Funds, provided that the 1988 Trustee shall be entitled to assume conclusively the absence of any such Event of Default unless it has notice thereof within the meaning of Section 10.05 ("Notice of Event of Default") of the Agreement.

Investments shall be made from each Fund for a period not exceeding a period during which such investments are expected to be required to be converted to cash for application by or on behalf of the Authority provided that: (a) moneys held for the credit of the Revenue Fund and the Operating Reserve Fund shall not be invested in Qualified Investments which mature or which are not subject to redemption by the 1988 Trustee, at the option of the 1988 Trustee, later than one year after the date of such investment; (b) moneys held for the credit of the Debt Service Reserve Fund shall be invested in Qualified Investments which mature or which are not subject to redemption by the 1988 Trustee, at the option of the 1988 Trustee at such times as designated by the Authority.

In furtherance of the covenant of the Authority set forth in Section 7.22 ("Rebate Account") of the Agreement, the 1988 Trustee shall comply with any and all instructions of the Authority, given from time to time, to pay all or a portion of the moneys in the Funds not constituting part of the Trust Estate to, or upon the order of, the Department of the Treasury of the United States of America, anything in the Agreement to the contrary notwithstanding.

Accounts, Reports and Audits

The Authority covenants that it will keep an accurate record of the total cost of the Delaware Turnpike and of transfers to the State to meet the costs of other Projects financed with the proceeds of Bonds, of the Receipts and Revenues of the Authority collected from the Delaware Turnpike, of Motor Fuel Tax Revenues, of Document Fees, of Additional Revenues, if any, and of the application of such receipts and revenues. Such records shall be open during normal business hours of the Authority to the inspection of the 1988 Trustee and the holders of the Bonds and their agents and representatives.

The Authority further covenants that, in the months of January, April, July and October in each year, it will cause to be filed with the 1988 Trustee and mailed to all holders of Bonds who shall have filed their names and addresses with the Authority board for such purpose a report setting forth in respect of the preceding three months' period

(a) in reasonable detail, the Receipts and Revenues of the Authority and the Turnpike Operating Expenses (i) for such period and (ii) for the same period of the preceding Fiscal Year,

(b) all deposits to the credit of and withdrawals from each Fund created under the provisions of the Agreement during such period,

(c) the details of all Bonds issued, paid, purchased or redeemed during such period,

(d) a balance sheet as of the end of such period,

(e) the amount on deposit at the end of such period to the credit of each such Fund, the security therefor, and the details of any investments thereof, and

(f) any revisions during such period of the charges, fares, fees, rentals and tolls for the use or services of the Delaware Turnpike.

The Authority further covenants that promptly after the close of each Fiscal Year it will cause an audit to be made of its books and accounts relating to the Delaware Turnpike and the Receipts and Revenues of the Authority for the preceding Fiscal Year by an independent firm of certified public accountants of recognized ability and standing, to be chosen by the Authority. The 1988 Trustee shall make available to such accountants all of its books and records pertaining to the Delaware Turnpike and the Receipts and Revenues of the Authority. Promptly thereafter reports of each such audit shall be filed with the Authority and the 1988 Trustee and copies of such reports shall be mailed by the Authority to all holders of Bonds who shall have filed their names and addresses with the Authority board for such purpose. Each such audit report shall set forth in respect of the preceding Fiscal Year the same matters as are hereinabove required for the quarterly reports, the findings of such certified public accountants as to whether the moneys received by the Authority under the provisions of the Agreement during such Fiscal Year have been applied in accordance with the provisions of the Agreement, and whether any obligations for Turnpike Operating Expenses were incurred in the preceding Fiscal Year in excess of the total amount provided for Turnpike Operating Expenses in the Annual Budget for such Fiscal Year. Such quarterly reports and audit reports shall be open at all reasonable times to the inspection of the holders of Bonds and their agents and representatives.

The Authority further covenants that it will cause any additional reports or audits relating to the Delaware Turnpike to be made as required by law and that, as often as may be requested, it will furnish to the 1988 Trustee and the holder of any Bond such other information concerning the Delaware Turnpike or the operation thereof as any of them may reasonably request.

The cost of the reports and audits referred to above shall be payable from the Operating Fund.

Senior Lien for Senior Bonds

The lien of the Junior Bonds against the Pledged Revenue, with certain limited exceptions, is subordinate to the lien of the Senior Bonds. If there is an event of default resulting from a failure in payment of debt service on the Senior Bonds or from an insolvency of the Authority or if there is an event of default which the Trustee attempts to remedy by acceleration, no payment of debt service may be made on the Junior Bonds except from certain Junior Bonds Priority Funds -- funds already on deposit in the Junior Bonds Principal and Interest Account, the Junior Bonds Redemption Account (but not any funds held for optional redemption) or the Junior Bonds Debt Service Reserve Account -- until the default with respect to the Senior Bonds is cured.

Additional Senior Bonds

The Agreement and the Act permit the Authority to issue additional Senior Bonds (or to convert outstanding Junior Bonds to Senior Bonds) secured on a parity with the other Senior Bonds issued and outstanding under the Agreement for any purpose permitted under the Act, provided that there is satisfied the Senior Bonds Historical Test (described in (i)(A) below) and the Junior Bonds Historical Test (described in (i)(B) below) or the Senior Bonds Alternate Test (described in (ii)(A) below) and the Junior Bonds Alternate Test (described in (ii)(B) below).

(i)(A) The Senior Bonds Historical Test is satisfied if the aggregate amount of motor fuel tax revenue, motor vehicle document fees, motor vehicle registration fees, revenue from the Delaware Turnpike, Pledged Miscellaneous Transportation Revenue and Additional Revenue pledged to secure the Bonds (excluding TTF Investment Earnings) (the "Test Revenue") for any 12 consecutive month period of the preceding 15 months ending not later than three months prior to the date of the additional Senior Bonds, which date shall not be more than 90 days prior to the date of issuance of the additional Senior Bonds (adjusted to reflect adjustments in the tax rates, fees and tolls as if such adjustments had been in effect for the entire period) equals or exceeds 2.00 times the maximum Principal and Interest Requirements for all Senior Bonds, including the Senior Bonds proposed to be issued.

(B) The Junior Bonds Historical Test is satisfied if the aggregate amount of Test Revenue, calculated in the same manner and for the same 12 month period as in (i)(A) above, reduced by the maximum Principal and Interest Requirements for the Senior Bonds, equals or exceeds 3.0 times the maximum Principal and Interest Requirements for all Junior Bonds, including the Junior Bonds proposed to be issued.

(ii)(A) The Senior Bonds Alternate Test is satisfied if estimated Test Revenue (assuming for each fiscal year described below, that Test Revenue is equal to the aggregate amount of Test Revenue for the same 12 month period as in (i)(A) above as adjusted in subsequent fiscal years for any increase in tolls, taxes or fees from the date such increase is to be in effect) (I) for the current fiscal year and each of the following four fiscal years equals or exceeds 2.00 times the Principal and Interest Requirements for all Senior Bonds Outstanding during each such year and (II) for the fifth following fiscal year equals or exceeds 2.00 times the maximum Principal and Interest Requirements for all Senior Bonds for that year or any subsequent fiscal year.

(B) The Junior Bonds Alternate Test is satisfied if estimated Test Revenue (assuming for each fiscal year described below, that Test Revenue is equal to the aggregate amount of Test Revenue for the same 12 month period as in (i)(A) above as adjusted in subsequent fiscal years for any increase in tolls, taxes or fees from the date such increase is to be in effect), less (x) for the current and each of the next four fiscal years, the Principal and Interest Requirements on the Senior Bonds for each such year, and (y) for the fifth following fiscal year, the maximum Principal and Interest Requirements on the Senior Bonds for that year or any subsequent fiscal year, (I) for the current fiscal year and each of the following four fiscal years equals or exceeds 3.0 times the Principal and Interest Requirements for all Junior Bonds Outstanding during each such year and (II) for the fifth following fiscal year equals or exceeds 3.0 times the maximum Principal and Interest Requirements for all Junior Bonds for that year or any subsequent fiscal year.

The Authority may also issue additional Senior Bonds to refund any Senior Bonds, without meeting the coverage tests described above, if the maximum Principal and Interest Requirements for the refunding bonds is less than the maximum Principal and Interest Requirements for the Bonds to be refunded.

Additional Junior Bonds

The Agreement and the Act permit the Authority to issue additional Junior Bonds secured on a parity with all other Junior Bonds issued and outstanding under the Agreement for any purpose permitted under the Act, provided that either the Junior Bonds Historical Test or the Junior Bonds Alternate Test, as described above, is satisfied.

The Authority may also issue additional Junior Bonds to refund any Junior Bonds or Senior Bonds, without meeting the coverage tests described above, if the maximum Principal and Interest Requirements for the refunding bonds are less than the maximum Principal and Interest Requirements for the Bonds to be refunded.

Additional Revenue Considered in Additional Bonds Tests

For the purposes of the additional bonds coverage tests described above, Additional Revenue (excluding the TTF Investment Earnings) may be included and taken into account as Test Revenue provided that (1) a Supplemental Agreement is duly adopted by the Authority providing for the pledge of such Additional Revenue under the Agreement for the benefit of the holders of Bonds, (2) the Authority receives a written opinion of nationally recognized bond counsel to the effect that such pledge is valid and binding on the Authority and any pledge or assignment of such additional revenue to the Authority by the State is valid, (3) the State or the Authority, as the case may be, shall have covenanted not to repeal, reduce or adversely alter such Additional Revenue below rates in effect at the time of such pledge and assignment, (4) all approvals and authorizations necessary to effect such pledge and assignment have been obtained and (5) the Supplemental Agreement evidencing the pledge of Additional Revenues shall incorporate all of the covenants, terms and conditions contained in the Agreement.

Subordinate Indebtedness

Under the Agreement, the Authority may also issue additional obligations secured by a lien on the Pledged Revenue which is subordinate to the lien of the Senior Bonds and the Junior Bonds. Pursuant to Supplemental

Agreement No. 27, Bonds, Parity Obligations and/or Subordinate Indebtedness (as each such term is defined in the 301 Indenture) issued pursuant to and subject to the terms of the 301 Indenture are considered "Subordinate Indebtedness" under the Agreement.

Before January 1, 2016, subordinate obligations issued under the Agreement may be issued without regard to any additional bonds debt service coverage test. After January 1, 2016, no such Subordinate Indebtedness shall be issued under the Agreement unless the tests in "Additional Seniors Bonds" above are first met with respect to Senior Bonds and Junior Bonds, and the following coverage test is also met: the aggregate amount of the Test Revenues for any twelve (12) consecutive months occurring in the most recent fifteen (15) months preceding the date on which the Subordinate Indebtedness is proposed to be issued was not less than 2.00 times the maximum debt service due for all outstanding Subordinate Indebtedness, taking into account the Subordinate Indebtedness proposed to be issued after subtracting from the Test Revenues the maximum Principal and Interest Requirements for Senior Bonds and Junior Bonds and any deposits to any funds or reserve funds as may be required by Section 4.02 (Use of Money in Revenue Fund) of the Agreement

The rights of holders of any Subordinate Indebtedness will be limited, however, as follows: all principal and interest on all Senior and Junior Bonds must be paid before any payment of debt service may be made on any Subordinate Indebtedness if any of the following occur (i) insolvency, bankruptcy, receivership or any similar proceeding with respect to the Authority or its property; (ii) the acceleration of principal and interest on the Subordinate Indebtedness; (iii) an Event of Default with respect to Senior or Junior Bonds resulting in acceleration of principal of and interest on the Senior Bonds and/or the Junior Bonds; or (iv) an Event of Default resulting from the failure in payment of Principal and Interest Requirements on any Bond. An event of default with respect to Subordinate Indebtedness shall not in itself create the right to declare an Event of Default with respect to the Senior Bonds or the Junior Bonds.

Insurance

The Authority covenants that it will at all times, maintain, to the extent reasonably obtainable, the following insurance, with terms, conditions, provisions and costs, the Authority determines to be reasonable, subject to applicable, customary insurance practice:

(a) Multi-risk insurance on facilities of the Delaware Turnpike of an insurable nature and of the character usually insured by those operating similar facilities, covering direct physical loss or damage from causes customarily insured against, in amounts certified to be necessary or advisable by the Authority;

(b) Use and occupancy insurance covering loss of revenues by reason of the necessary interruption, total or partial, in the use of the Susquehanna River Bridge in the State of Maryland, in such amounts as the Authority shall certify will provide income during the period of interruption equal to the loss of Delaware Turnpike Revenues for a period of one year less the Turnpike Operating Expenses for that period;

(c) Public liability, landlord's liability and comprehensive motor vehicle liability insurance;

(d) During any improvement or reconstruction of the Delaware Turnpike, such insurance as is customarily carried by others under similar circumstances, unless maintained for the benefit of the Authority by contractors;

(e) Blanket crime policies on all officers and employees of the Authority who collect or have custody of or access to revenues, receipts or income of the Delaware Turnpike or any funds of the Delaware Turnpike;

(f) Boiler and machinery coverage; and

(g) Any additional or other insurance determined by the Authority to be necessary or advisable.

All such insurance policies shall be carried with a responsible insurance company or companies authorized or qualified under the laws of the State to assume the risks covered by such policy or policies.

The 1988 Trustees shall deposit the proceeds of physical loss or damage insurance to the credit of an account in the Capital Fund. The Authority shall give written instructions to the 1988 Trustee concerning the use of such money. The 1988 Trustee shall deposit the proceeds of use and occupancy insurance to the credit of the Revenue Fund immediately upon receipt and such proceeds shall be used, for the purposes permitted for moneys in such Fund. Instead of any of the foregoing policies of insurance, the Authority may establish one or more self-insurance funds to cover one or more of the risks required to be covered by the foregoing policies of insurance. Any self insurance fund shall be established pursuant to a written plan for funding and coverage adopted by the Authority. The plan shall, among other things, require that: (a) all funds be deposited with a fiduciary in trust pursuant to a written agreement; (b) an actuary shall prepare a written report recommending, among other things, the amounts to be deposited initially in the self insurance fund and the times by which such initial amounts shall be deposited; (c) a written report by an actuary, on at least a biennial basis, making recommendations on appropriate funding levels; and (d) the actuary hired by the Authority to make the foregoing reports shall be qualified and experienced.

Tax Law Compliance; Arbitrage Rebate

Tax Covenant. The Authority covenants for the benefit of the holders of the Bonds (a) that no use of the proceeds of the Bonds or the earnings thereon will be made, and no other action will be taken, which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code, (b) that all action with respect to the Bonds required to be taken to avoid characterization of the Bonds as "arbitrage bonds" under Section 148 of the Code shall be taken, (c) that the Authority will take all reasonable steps to ensure that interest on the Bonds is not included in gross income of the holder of any Bond for purposes of federal income taxation (unless such bonds are issued as federally taxable bonds) and (d) that the Authority will take no action to cause the Bonds to become "private activity bonds" as that term is used in Section 141(a) of the Code.

Rebate Account. The Agreement creates and establishes with the 1988 Trustee an account designated the "Delaware Transportation Authority Rebate Account" (the "Rebate Account"). The 1988 Trustee, at the direction of an Authorized Authority Representative shall transfer from the Investment Account to the Rebate Account amounts determined solely by the Authority as necessary to avoid characterization of the Bonds as "arbitrage bonds" under Section 148 of the Code. Amounts on deposit in the Rebate Account shall not be subject to any claim or charge in favor of the 1988 Trustee or any holder of a Bond. Upon receipt of written instructions from an Authorized Authority Representative, the 1988 Trustee shall pay to the United States of America amounts determined solely by the Authority and/or shall transfer amounts determined solely by the Authority to the Investment Account from the Rebate Account. All amounts on deposit in the Rebate Account may be invested in Qualified Investments at the direction of the Authority. Interest earned or profit realized on amounts invested in the Rebate Account shall be retained in the Rebate Account. The 1988 Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken with respect to amounts in the Rebate Fund or any calculations made by the Authority or any other person with respect to rebate. The 1988 Trustee may conclusively rely on any instructions received from an Authorized Authority Representative with respect to rebate.

Other Covenants

Inspection of Delaware Turnpike. The Authority covenants that it will cause its Engineering Consultants to make an inspection of the Delaware Turnpike at least once in every other year and, on or before the 1st day of October in such year, to submit to the Authority a report or reports setting forth their findings whether the Delaware Turnpike has been maintained in good repair, working order and condition.

Use and Operation of the Delaware Turnpike. The Authority covenants that it will establish and enforce reasonable rules and regulations governing the use of the Delaware Turnpike and the operation thereof, that all conditions of employment and all compensation, salaries, fees and wages paid by it in connection with the operation, maintenance and repair of the Delaware Turnpike will be reasonable, that no more persons will be employed by it than are necessary, that all persons employed by it will be qualified for their respective positions, that it will maintain and operate the Delaware Turnpike in an efficient and economical manner, that from the then current Receipts and Revenues of the Authority it will at all times maintain the Delaware Turnpike in good repair and in sound operating condition and will make all necessary repairs, renewals and replacements, and that it will observe and perform all of the terms and conditions contained in the Act.

Covenants as to Tolls. The Authority covenants that it will fix and revise from time to time, and charge and collect charges, fares, fees, rentals and tolls for the use of the Delaware Turnpike. The Authority further covenants that it will not reduce tolls in effect on the Delaware Turnpike after the date of issuance of the 2014 Bonds unless the Authority board files a certificate with the 1988 Trustee showing that the Authority would have met the tests described in Section 2.07(b)(i)(A) and (B) ("Additional Bonds Coverage Tests") of the Agreement with respect to the Outstanding Bonds assuming a reduction in Delaware Turnpike Revenues for the applicable twelve-month period utilized in that Section 2.07(b)(i)(A) and (B) as if the reduction occurred on the first day of that period. The Authority may make any other adjustment or reclassification of toll rates or establish special toll rates for the Delaware Turnpike, provided that such adjustment or reclassification is recommended in writing by the Authority's Traffic Consultants and will not reduce Delaware Turnpike Revenues unless the Authority meets the foregoing test. Notwithstanding the foregoing provision, the tolls in effect on August 1, 1988 shall not be reduced.

Covenant Against Sale and Encumbrance; Exceptions. The Authority covenants that it will not sell or otherwise dispose of or encumber the Delaware Turnpike, or any part thereof, or any other physical assets of the Authority, subject to the other provisions of the Agreement, except those physical assets which the Authority either reasonably determines to be of no use for purposes of the Authority or for which the Authority is acquiring replacements.

The Authority may lease, or grant easements, franchises or concessions for the use of any part of the Delaware Turnpike and the net proceeds of any such lease, easement, franchise or concession shall be deposited as earned to the credit of the Revenue Fund.

Events of Default and Remedies; Respective Rights of Senior and Junior Bondholders

Events of Default. Each of the following events shall constitute and is referred to in the Agreement as an "Event of Default":

(a) a failure to pay the principal of or premium, if any, on any Bond when the same shall become due and payable at maturity, upon redemption or otherwise;

(b) a failure to pay an installment of interest on any Bond after such interest shall have become due and payable;

(c) a failure to pay an amount due in respect of a put of any Bond for a period of two (2) Business Days after such amount shall have become due and payable (or such shorter period as provided by the applicable Supplemental Agreement);

(d) a failure of the Authority to transfer to the 1988 Trustee Receipts and Revenues of the Authority pledged to the 1988 Trustee under the Agreement;

(e) failure by the State to transfer to the Authority, or a reduction by the State subsequent to the effective date of the Agreement of the rate of, the Motor Fuel Taxes, the Document Fees or any fees and taxes yielding Additional Revenues imposed by the State;

(f) receipt by the 1988 Trustee of notice from the obligor of a Credit Facility ensuring the payment of principal and interest on any series of Bonds stating that an event of default under the applicable Credit Facility has occurred and directing the 1988 Trustee to declare the series of Bonds ensured by such Credit Facility to be immediately due and payable and directing the 1988 Trustee to draw on such Credit Facility;

(g) failure by the Authority to observe and perform any other covenant, condition, agreement or provision contained in the Bonds or in the Agreement on the part of the Authority to be observed or performed for the benefit of the holders of Bonds, which failure shall continue for a period of ninety (90) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Authority by the 1988 Trustee, which may give such notice in its discretion and shall give such notice at the written request of holders of not less than 10% in principal amount of the Bonds then Outstanding of any series, unless the 1988 Trustee, or the 1988 Trustee and the holders of a principal amount of Bonds not less than the principal amount of Bonds the holders of which requested that such notice be given, as the case may be, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the 1988 Trustee, or the 1988 Trustee and the holders of such principal amount of Bonds, as the case may be, shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Authority within such period and is being diligently pursued;

(h) the Authority (i) files a petition under the Bankruptcy Reform Act of 1978 (the "Bankruptcy Code"), as amended or superseded, makes an assignment for the benefit of creditors, enters into a composition with creditors or commences a case or proceeding for reorganization or readjustment of its debts, for dissolution, liquidation or commences a similar procedure under the law of any jurisdiction, whether now or hereafter in effect; (ii) is, or admits in writing that it is, insolvent, bankrupt, is unable generally to pay its debts as they become due or its debts are greater than its property net of any property which was transferred, concealed or removed with the intent to hinder, delay or defraud its creditors; (iii) applies to any government or governmental entity for the appointment of a Custodian (as such term is defined in Section 101(10) of the Bankruptcy Code) for itself or for all or any substantial or material part of its property; or (iv) has transferred, concealed or removed any of its property with intent to hinder, delay or defraud any of its creditors generally or the holders of the Bonds, in particular, or has received less than reasonably equivalent value in a transfer of all or a substantial or material part of its property; or

(i) the Authority (i) has commenced against it an involuntary case or proceeding referred to in paragraph (h) above which is not dismissed on the day of such commencement; (ii) has an order of relief entered against it in such an involuntary case or proceeding; (iii) consents to, grants approval of or acquiesces to such involuntary case or proceeding; or (iv) is subject to the appointment of a Custodian for it or all or any substantial part of its property and such Custodian is not dismissed by a court of competent jurisdiction (and all such property returned) on the day of such Custodian's appointment.

Upon the occurrence and continuation of any Event of Default other than an Event of Default described in (f) or (g) of the preceding paragraph with respect to Bonds of any series, the 1988 Trustee may, and at the written request of the holders of not less than 25% in principal amount of the Outstanding Bonds of such series or upon the occurrence and continuation of an Event of Default described in (f) of the preceding paragraph and at the written request of the obligor under a Credit Facility ensuring the payment of the principal of and interest on a series of Bonds, shall, declare such series of Bonds to be immediately due and payable, whereupon they shall, without further action become and be immediately due and payable, anything in the Agreement or in the Bonds to the contrary notwithstanding. The 1988 Trustee shall give prompt notice of acceleration to any Tender Agent and any Remarketing Agent, and shall give notice thereof by Mail to all holders of Outstanding Bonds of all series. In the case of an Event of Default described in the preceding paragraph occurring when a Credit Facility is in effect and with respect to which the 1988 Trustee is required to draw to effect an acceleration of the Bonds, the 1988 Trustee shall make the aforesaid declaration on the first Business Day on or after the occurrence of such Event of Default that the 1988 Trustee may make a drawing or drawings on such Credit Facility (but shall not make such declaration prior to such date) unless provisions to the contrary are made in the applicable Supplemental Agreement.

The provisions of the preceding paragraph, however, are subject, when no Credit Facility shall be in effect ensuring the payment of principal of and interest on a series of Bonds, to the condition that if, after the principal of any Bonds shall have been so declared to be due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Authority shall cause to be deposited with the 1988 Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the principal of any and all Bonds which shall have become due otherwise than by reason of such declaration (with interest upon such principal and, to the extent permissible by law, on overdue installments of interest, at the rate per annum borne by the Bonds) and such amounts as shall be sufficient to cover reasonable compensation and reimbursement of expenses payable to the 1988 Trustee (including reasonable counsel fees and expenses), and all Events of Default other than nonpayment of the principal of Bonds which shall have become due by said declaration shall have been remedied, then, in every such case, such Event of Default shall be deemed waived and such declaration and its consequences rescinded and annulled, and the 1988 Trustee shall promptly give written notice of such waiver, rescission and annulment to the Authority, any Tender Agent and any Remarketing Agent, and, if notice of the acceleration of any Bonds shall have been given to the holders of said Bonds, shall give prompt notice thereof by Mail to all holders of Outstanding Bonds; but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

The provisions of the second preceding paragraph are further subject to the condition that, if an Event of Default described in clause (f) of the third preceding paragraph shall have occurred and if the 1988 Trustee shall thereafter have received notice from the obligor of a Credit Facility ensuring the payment of principal of and interest on a series of Bonds (a) that the notice which caused the Event of Default to occur has been withdrawn and (b) that the amounts available to be drawn on that Credit Facility to pay (i) the principal of said Bonds or the portion of the purchase price equal to principal and (ii) interest on said Bonds and the portion of purchase price equal to accrued interest have been reinstated all in amounts that are required to maintain the then ratings on said Bonds, then, in every such case, such Event of Default shall be deemed waived and its consequences rescinded and annulled, and the 1988 Trustee shall promptly give written notice of such waiver, rescission and annulment to the Authority, the obligor under the applicable Credit Facility, any Tender Agent and any Remarketing Agent, and, if notice of the acceleration of said Bonds shall have been given thereof, by Mail to all holders of Outstanding Bonds; but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon or the rights of holders of any other series of Bonds.

Remedies. Upon the occurrence and continuation of any Event of Default, then and in every such case the 1988 Trustee in its discretion may, and upon the written request of the obligor under any Credit Facility ensuring the payment of principal of and interest on a series of Bonds in respect of which an Event of Default has occurred or the holders of not less than 25% in principal amount of the Bonds of any series then Outstanding and receipt of indemnity to its satisfaction, shall, in its own name and as the 1988 Trustee of an express trust:

(a) by mandamus, or other suit, action or proceeding at law or in, equity, enforce all rights of the holders of said Bonds and require the Authority, or the obligor under any Credit Facility ensuring the payment of principal of and interest on any Bonds to carry out any agreements with or for the benefit of the holders of said Bonds and to perform its or their duties under the Act, any Credit Facility and the Agreement;

(b) bring suit upon said Bonds; or

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the holders of said Bonds.

Note: If the State violates its contractual obligation to impose and collect motor vehicle fuel taxes, motor vehicle document fees, motor vehicle registration fees or the fees and taxes yielding Additional Revenue at the rates in effect on the date of issuance of the 2014 Bonds or requires the use of that revenue for some purpose other than as assigned to secure the Bonds, the State would be subject to a bondholders' suit, and, under Delaware law, probably would not be able to avail itself of the defense of sovereign immunity. Payment of any award against the State obtained by a judgment creditor, however, must be appropriated by the State legislature. In addition the overriding interest of the State in promoting the health, safety and welfare of the people of the State, may affect the enforceability of the contractual obligation and may justify the impairment of the contract.

Limitation on Holders' Right to Institute Proceedings. No holder of a Bond of any series shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power under the Agreement, or any other remedy thereunder or on the Bonds, unless such holder previously shall have given to the 1988 Trustee written notice of an Event of Default as provided in the Agreement and unless the holders of not less than 25% in principal amount of the Bonds then Outstanding of such series shall have made written request of the 1988 Trustee so to do, after the right to institute said suit, action or proceeding shall have accrued and is continuing and shall have afforded the 1988 Trustee sixty (60) days to proceed to institute the same in either its or their name, and unless there also shall have been offered to the 1988 Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby (including reasonable counsel fees and expenses), and the 1988 Trustee shall not have complied with such request within sixty (60) days after receipt of the request (provided no direction inconsistent with such written request has been given to the 1988 Trustee during such 60-day period by the holders of a majority in principal amount of the Outstanding Bonds of such series); and such notification, request and offer of indemnity are in every such case, at the option of the 1988 Trustee, to be conditions precedent to the institution of said suit, action or proceeding; it being understood and intended that no one or more of the holders of the Bonds of such series shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Agreement, or to enforce any right thereunder or under the Bonds, except in the manner therein provided, and that all suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Agreement and for the equal benefit of all holders of the Bonds of such series. In any event, no one or more holders of Bonds of any series shall have any right in any manner whatever by virtue of the Agreement to affect, disturb or prejudice the rights of any other holder of Bonds of any series or to obtain priority or preference over any other holder or to enforce any right under the Agreement except in the manner or to the extent therein provided and with respect to any series, for the equal and ratable benefit of all holders of Bonds of that Series.

Obligors' Right Under Credit Facility or Holders' Right to Direct Proceedings. Anything in the Agreement to the contrary notwithstanding, the holders of a majority in principal amount of the Bonds then Outstanding thereunder with respect to which an Event of Default has occurred shall have the right, by an instrument in writing executed and delivered to the 1988 Trustee, to direct the time, method and place of conducting all remedial proceedings available to the 1988 Trustee under the Agreement or exercising any trust or power conferred on the 1988 Trustee by the Agreement; provided, however, that the obligor under any Credit Facility shall have no such rights, as a holder of Bonds or a deemed holder of Bonds, in respect of proceedings taken by holders of Bonds against such obligor. For purposes of this Section, an obligor under any Credit Facility ensuring the payment of principal of and interest on any Bonds shall be deemed the holder of those Bonds, absent a default in the obligations of the obligor of that Credit Facility under the Credit Facility, unless the applicable Supplemental Agreement provides to the contrary.

Application of Money. Any money received by the 1988 Trustee or by any holder of a Bond pursuant to any right given or action taken under the provisions of Article IX ("Defaults and Remedies") of the Agreement, after payment of the costs and expenses of the proceedings resulting in the collection of such money and of the expenses, liabilities and advances incurred or made by the 1988 Trustee (including reasonable counsel fees and expenses), and the payment and setting aside of reasonable and necessary amounts to meet Turnpike Operating Expenses as determined by a firm of Engineering Consultants, shall be deposited in the Debt Service Fund for such series of Bonds and all money so deposited in the Debt Service Fund for such series of Bonds during the continuance of an Event of Default (other than money for the payment of Bonds which had matured or otherwise become payable prior to such Event of Default) shall be applied as follows with respect to each series of Bonds (provided, however, that any drawing by the 1988 Trustee under a Credit Facility for the payment of principal of, or premium, if any, or interest on the Bonds shall be applied only to the payment of the principal of or premium, if any, or interest on the particular Bonds identified in the applicable Credit Facility):

(a) Under and subject to the provisions of Section 7.22 of the Agreement, to the Rebate Account in an amount, together with any other amounts on deposit or credited to, such account, sufficient to meet the Authority's obligation to make payments to the United States of America as required under Section 148 of the Code.

(b) Unless the principal of all the Bonds shall have become due and payable, all such money shall be applied (i) first, to the payment to the persons entitled thereto of all installments of interest then due on Senior Bonds, with interest on overdue installments of interest then due on such Bonds, if lawful, at the rate per annum borne by such Bonds, in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment; (ii) second, to the payment to the persons entitled thereto of the unpaid principal of any Senior Bonds which shall have become due (other than such Bonds called for redemption for the payment of which money is held pursuant to the provisions of the Agreement), with interest on such Bonds at their rate from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full such Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege; (iii) third, to the payment to the persons entitled thereto of all installments of interest then due on Junior Bonds, with interest on overdue installments of interest then due on such Bonds, if lawful, at the rate per annum borne by such Bonds, in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment; (iv) fourth, to the payment to the persons entitled thereto of the unpaid principal of any Junior Bonds which shall have become due (other than such Bonds called for redemption for the payment of which money is held pursuant to the provisions of the Agreement), with interest on such Bonds at their rate from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full such Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege; provided, however, that money derived from the rights of the 1988 Trustee under a Credit Facility shall not be applied to the payment of the principal of or premium, if any, or interest on any Bonds held of record by the Authority, by the obligor under a Credit Facility or by any Tender Agent or other person for the account of the Authority or other person if a Credit Facility prohibits by its terms a drawing thereunder for such purpose.

(c) If the principal of all Senior Bonds shall have become due and payable, all such money shall be applied (i) first to the payment of the principal and interest then due and unpaid upon Senior Bonds, with interest on overdue interest and principal, as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Senior Bond over any other Senior Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege; and (ii) second, to the payment of the principal and interest then due and unpaid upon Junior Bonds whether or not the principal of all Junior Bonds shall have become due and payable, with interest on overdue interest and principal, as aforesaid, without preference or priority of principal over interest or of interest over any other installment of interest, or of any Junior Bond over any other Junior Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege; provided, however, that money derived from the rights of the 1988 Trustee under a Credit Facility shall not be applied to the payment of the principal of or premium, if any, or interest on Bonds held of record by the Authority, by the obligor under a Credit Facility or by any Tender Agent for the account of the Authority if the applicable Credit Facility prohibits by its terms a drawing thereunder for such purpose.

(d) If the principal of all Junior Bonds shall have become due and payable and there are no Senior Bonds Outstanding, all such money shall be applied as set forth in clauses (b)(iii) and (b)(iv) above.

(e) If the principal of all the Bonds of a series shall have come due and payable, and if acceleration of the maturity of said Bonds by reason of such Event of Default shall thereafter have been rescinded and annulled under the provisions of Article IX ("Defaults and Remedies") of the Agreement, then, subject to the provisions of clause (c) of this Section which shall be applicable in the event that the principal of all the Bonds shall later become due and payable, the money shall be applied in accordance with the provisions of clause (b) of this Section.

1988 Trustee's Notice of Event of Default. The 1988 Trustee shall not be required to take notice, or be deemed to have notice, of any default or Event of Default under the Agreement (i) other than an Event of Default under clause (a), (b) or (c) of the first paragraph of Section 9.01 ("Events of Default") of the Agreement or (ii) unless an officer of the 1988 Trustee assigned by the 1988 Trustee to administer its corporate trust matters has been specifically notified in writing of such default or Event of Default by holders of at least 25% in principal amount of the Bonds then Outstanding of any series, by the Authority, by the obligor under a Credit Facility ensuring payment of principal or interest on any series of Bonds, by a Tender Agent or in the case of an Event of Default under clause (h) or (i) of the first paragraph of Section 9.01 of the Agreement, by any holder. The 1988 Trustee may, however, at any time, in its discretion, require of the Authority full information and advice as to the performance of any of the covenants, conditions and agreements contained in the Agreement.

Action by 1988 Trustee. The 1988 Trustee shall be under no obligation to take any action in respect of any default or Event of Default under the Agreement with respect to Bonds of any series other than an Event of Default described in clause (f) of Section 9.01 ("Events of Default") of the Agreement, or toward the execution or enforcement of any of the trusts thereby created, or to institute, appear in or defend any suit or other proceeding in connection therewith, unless requested in writing so to do by holders of at least 25% in principal amount of the Outstanding Bonds of such Series and, if in its opinion such action may tend to involve it in expense or liability, unless furnished, from time to time as often as it may reasonably require, with security and indemnity satisfactory to it (including reasonable counsel fees and expenses); but the foregoing provisions are intended only for the protection of the 1988 Trustee, and shall not affect any discretion or power given by any provisions of the Agreement to the 1988 Trustee to take action in respect to any default or Event of Default without such notice or request from the holders of Bonds or the obligor under a Credit Facility or without such security or indemnity.

Notice to Owners of Event of Default. If an Event of Default occurs of which the 1988 Trustee has notice within the meaning of Section 10.05 ("Notice of Event of Default") of the Agreement and any such Event of Default shall continue for at least two days after the 1988 Trustee has notice thereof within the meaning of Section 10.05 of the Agreement, unless the 1988 Trustee shall have theretofore given a notice of acceleration pursuant to Section 9.01

("Events of Default") of the Agreement, the 1988 Trustee shall give prompt notice thereof to the Authority, any Tender Agent, any Remarketing Agent and any obligor under a Credit Facility and give notice by Publication and by Mail to all holders of Outstanding Bonds for which it is acting as 1988 Trustee. Such 1988 Trustee shall also give notice of any Event of Default to any other 1988 Trustee appointed pursuant to the Agreement and such 1988 Trustee shall likewise give prompt notice to all holders of Outstanding Bonds for which it is acting as 1988 Trustee.

1988 Trustee; Paying Agents

Acceptance of Trusts. The 1988 Trustee accepts and agrees to execute the trusts created by the Agreement, but only upon the additional terms set forth in Article X ("Trustee; Paying Agent and Co-Paying Agents; Registrar") of the Agreement, to all of which the Authority agrees and the respective holders of the Bonds agree by their acceptance of delivery of any of the Bonds. By accepting and agreeing to act as 1988 Trustee for holders of Senior Bonds and/or Junior Bonds, the 1988 Trustee is agreeing to act for holders of Bonds of all series of Senior Bonds and/or Junior Bonds, as the case may be, subject to the rights of the 1988 Trustee to resign and be discharged of the trusts created by the Agreement.

Paying Agent; Co-Paying Agents; Depositary. The Authority shall appoint the Paying Agent for the Bonds and may at any time or from time appoint one or more Co-Paying Agents for a series of Bonds and one or more Depositaries for the receipt of Revenue and Receipts pledged to the 1988 Trustee under the Agreement, subject to the conditions set forth in Section 10.22 ("Qualifications of Paying Agent, Co-Paying Agents and Depositary; Resignation; Removal") of the Agreement.

Responsibility of Fiduciaries

Notwithstanding any other provisions of Article X of the Agreement, the 1988 Trustee shall, during the existence of an Event of Default of which the 1988 Trustee has actual notice, exercise such of the rights and powers vested in it by the Agreement and use the same degree of skill and care in their exercise as a prudent man would use and exercise under the circumstances in the conduct of his own affairs.

Limitation on Liability. The 1988 Trustee may execute any of the trusts or powers created under the Agreement and perform the duties required of it thereunder by or through attorneys, agents, receivers, or employees, and shall be entitled to advice of counsel concerning all matters of trust and its duty thereunder, and the 1988 Trustee shall not be answerable for the default or misconduct of any such attorney, agent, or employee selected by it with reasonable care. The 1988 Trustee shall not be answerable for the exercise of any discretion or power under the Agreement or for anything whatsoever in connection with the trust created thereby, except only for its own negligence, willful misconduct or bad faith or for failure to exercise reasonable care in the selection of any attorney, agent or employee acting thereunder. The 1988 Trustee shall notify the Authority before selecting any agent to act on behalf of the 1988 Trustee in order to permit the Authority reasonable opportunity to join in any contract with such agent. The Authority shall, from the Receipts and Revenue of the Authority, indemnify and save the 1988 Trustee harmless against any liabilities which the 1988 Trustee may incur in the exercise and performance of its powers and duties under the Agreement, except for liabilities arising out of the negligence, willful misconduct or bad faith of the 1988 Trustee.

Good Faith Reliance. The 1988 Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, telex, facsimile transmission, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board, body or person or to have been prepared and furnished pursuant to any of the provisions of the Agreement, or upon the written opinion of any attorney, engineer, accountant or other expert believed by the 1988 Trustee to be qualified in relation to the subject matter, and the 1988 Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

Defeasance

If the Authority shall pay or cause to be paid to the holder of any Bond secured by the Agreement the principal of and premium, if any, and interest due and payable, and thereafter to become due and payable, upon such Bond or portion of such Bond, such Bond or portion thereof shall cease to be entitled to any lien, benefit or security under the Agreement. If the Authority shall pay or cause to be paid to the holders of all the Bonds secured thereby the principal and premium, if any, and interest due and payable, and thereafter to become due and payable, thereon, and shall pay or cause to be paid all other sums payable thereunder by the Authority, including but not limited to Subordinate Indebtedness, if any, then, and in that case, the right, title and interest of the 1988 Trustee in and to the Trust Estate shall thereupon cease, terminate and become void. In such event, the 1988 Trustee shall assign, transfer and turn over to the Authority the Trust Estate, including, without limitation, any balance remaining in any Fund; provided, however, that prior to any such assignment, transfer and turning over to the Authority as aforesaid, the 1988 Trustee shall pay to any obligor under a Credit Facility an amount equal to the lesser of (i) the total amount which the Credit Facility obligor informs the 1988 Trustee in writing is owed by the Authority to the obligor under such Credit Facility and (ii) the total amount remaining in all Funds.

All or any portion of Outstanding Bonds or portions of Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in this Section when:

(a) in the event said Bonds or portions thereof have been selected for redemption in accordance with Section 3.02 ("Selection of Bonds to be Redeemed") of the Agreement, the 1988 Trustee shall have given, or the Authority shall have given to the 1988 Trustee in form satisfactory to it, irrevocable instructions to give, on a date in accordance with the provisions of Section 3.03 ("Procedure for Redemption") of the Agreement, notice of redemption of such Bonds or portions thereof; and

(b) there shall have been deposited with the 1988 Trustee either moneys in an amount which shall be sufficient, or Government Obligations which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which, when due, and without any regard to reinvestment thereof, will provide moneys which, together with the moneys, if any deposited with or held by the 1988 Trustee, shall be sufficient to pay when due the principal of and premium, if any, and interest (at the maximum rate permitted, if such deposit shall be made with respect to Bonds bearing interest at the Short-Term Rate reflecting however any period during which the Short-Term Rate has been fixed at a rate or rates less than the maximum permitted rate) due and to become due on said Bonds or portions thereof on and prior to the redemption date or maturity date thereof, as the case may be; provided, however, that, if required by the Supplemental Agreement pursuant to which the Bonds were issued, such moneys shall constitute Available Moneys and that such Government Obligations either shall have been purchased with Available Moneys, or, shall otherwise qualify as Available Moneys; and

(c) in the event said Bonds or portions thereof do not mature and are not to be redeemed within the next succeeding sixty (60) days, the Authority shall have given the 1988 Trustee in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as a notice of redemption is given pursuant to Section 3.03 ("Procedure for Redemption") of the Agreement, a notice to the holders of said Bonds or portions thereof that the deposit required by clause (b) above has been made with the 1988 Trustee and that said Bonds or portions thereof are deemed to have been paid in accordance with Article VIII of the Agreement and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and premium, if any, and interest on said Bonds or portions thereof.

Neither the Government Obligations nor moneys deposited with the 1988 Trustee pursuant to Article VIII of the Agreement nor principal or interest payments on any such Government Obligations shall be withdrawn (unless a substitution is made with other Government Obligations) or used for any purpose other than, and such Government Obligations, moneys and principal or interest payments shall be held in trust for, the payment of the principal of and premium, if any, and interest on said Bonds or portions thereof, or for the payment of the purchase of said Bonds in accordance with any applicable agreement with a Tender Agent or other person; provided, that, during an Interest Period which is not a fixed rate period with respect to Bonds bearing interest at a Short-Term Rate or with respect to any Bonds bearing interest at the Long-Term Rate, such moneys, if not then needed for such purposes, shall, at the direction of an Authorized Authority Representative and to the extent practicable, be invested and reinvested in Government Obligations maturing on or prior to the earlier of (a) the date moneys shall be required for the purchase of Bonds pursuant to any applicable agreement with a Tender Agent or other person; and (b) the Interest Payment Date next succeeding the date of investment or reinvestment, and interest earned from such investments shall be paid over to the Authority, as received by the 1988 Trustee, free and clear of any trust, lien or pledge under the Agreement, unless there are insufficient other funds to redeem said Bonds; and provided, further, that, during a fixed rate period with respect to Bonds bearing interest at a Short-Term Rate or with respect to any Bonds bearing interest at the Long-Term

Rate, any cash received from such principal or interest payments on such Government Obligations deposited with the 1988 Trustee, if not then needed for such purposes, shall, at the direction of an Authorized Authority Representative and to the extent practicable, be invested in Government Obligations of the type described in clause (b) of the next preceding paragraph maturing at times and in amounts sufficient to pay when due the principal of and premium, if any, and interest to become due on said Bonds or portions thereof on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Authority, as received by the 1988 Trustee, free and clear of any trust, lien or pledge under the Agreement unless there are insufficient other funds to redeem said Bonds. If payment of less than all the Bonds is to be provided for in the manner and with the effect provided in this Section, the Authority shall select such Bonds or portions of Bonds in the manner specified by Section 3.02 ("Selection of Bonds to be Redeemed") of the Agreement for selection for redemption of less than all Bonds in the principal amount designated to the 1988 Trustee by the Authority.

Modification of The Agreement

Limitations. The Agreement shall not be modified or amended in any respect subsequent to the first issuance of the Bonds except as provided in and in accordance with and subject to the provisions of Article XII ("Modification of This Agreement") of the Agreement.

Supplemental Agreements without Consent of Holders of Bonds. The Authority and the 1988 Trustee may, from time to time and at any time, without the consent of or notice to the holders of the Bonds, enter into Supplemental Agreements as follows:

(a) to cure any formal defect, omission, inconsistency or ambiguity in the Agreement;

(b) to grant to or confer or impose upon the 1988 Trustee for the benefit of the holders of the Bonds any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with the Agreement as theretofore in effect;

(c) to add to the covenants and agreements of, and limitations and restrictions upon, the Authority in the Agreement, other covenants, agreements, limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with the Agreement as theretofore in effect, including, but not limited to, agreements to pledge Additional Revenues to the 1988 Trustee for the benefit of the holders of the Bonds;

(d) to confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by, the Agreement, of the Receipts and Revenues of the Authority pledged or to be pledged under the Agreement or of any other moneys, securities or funds;

(e) to authorize the issuance of additional Bonds pursuant to the Agreement, to authorize a different denomination or denominations of the Bonds or to permit the issuance of the Bonds in the form of coupon Bonds and to make correlative amendments and modifications to the Agreement regarding exchangeability of Bonds of different denominations and forms, redemptions of portions of Bonds of particular denominations and forms and similar amendments and modifications of a technical nature;

(f) to modify, alter, amend or supplement the Agreement in any and all respects which may be necessary, desirable or appropriate in connection with any supplement to the Agreement relating to the priority of sources of funds derived from a Credit Facility to be used for the payment of the principal of and premium, if any, and interest on the Bonds, changes to the provisions relating to the priority of sources of funds derived from a Credit Facility to be used for the purchase of Bonds and, changes to the default provisions referred to in Section 9.01(c) or (f) ("Events of Default") of the Agreement;

(g) to modify, alter, supplement or amend the Agreement in such manner as shall permit the qualification thereof under the Trust Indenture Act of 1939, as from time to time amended;

(h) to modify, alter, supplement or amend the Agreement in such manner as shall be necessary, desirable or appropriate in order to provide for the registration and registration of transfer of the Bonds through a book-entry or similar method, whether or not the Bonds are evidenced by certificates;

(i) to provide a method for the determination of a Short-Term Rate; and

(j) to modify, alter, amend or supplement the Agreement in any other respect which is not materially adverse to the holders of the Bonds and which does not involve a change described in clause (i), (ii), (iii) or (iv) of Section 12.03(a) ("Supplemental Agreements with Consent of Holders of Bonds") of the Agreement.

Before the Authority and the 1988 Trustee shall enter into any Supplemental Agreement pursuant to this Section, there shall have been delivered to the 1988 Trustee an opinion of Bond Counsel stating that such Supplemental Agreement is authorized or permitted by the Agreement and the Act, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and does not adversely affect the exclusion from gross income of the interest on the Bonds for purposes of Federal income taxation.

Supplemental Agreements with Consent of Holders of Bonds. (a) Except for any Supplemental Agreement entered into pursuant to Section 12.02 ("Supplemental Agreements without Consent of Holders of Bonds") of the Agreement, subject to the terms and provisions contained in this Section and not otherwise, the holders of not less than fifty-one (51) percent in aggregate principal amount of the Bonds then Outstanding which would be adversely affected thereby shall have the right from time to time to consent to and approve the execution and delivery by the Authority and the 1988 Trustee of any Supplemental Agreement deemed necessary or desirable by the Authority for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in the Agreement; provided, however, that, unless approved in writing by the holders of all the Bonds then Outstanding which would be adversely affected thereby, nothing therein contained shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of or premium, if any, or interest on any Outstanding Bond, a change in the purchase price or time of purchase of Bonds put pursuant to the terms thereof, a reduction in the principal amount or redemption price of any Outstanding Bond or a change in the method of determining the rate of interest thereon, or (ii) the creation of a claim or lien upon, or a pledge of, the Receipts and Revenues of the Authority pledged under the Agreement ranking prior to or on a parity with the claim, lien or pledge created by the Agreement, or (iii) a preference or priority of any other Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of Bonds the consent of the holders of the Bonds of which is required for any such Supplemental Agreement.

(b) If at any time the Authority shall request the 1988 Trustee to enter into any Supplemental Agreement for any of the purposes of this Section, the 1988 Trustee shall cause notice of the proposed Supplemental Agreement to be given by Publication at least once a week for two successive weeks, and by Mail to all holders of Outstanding Bonds. Such notice shall briefly set forth the nature of the proposed Supplemental Agreement and shall state that a copy thereof is on file at the office of the 1988 Trustee for inspection by all holders of Bonds.

(c) Within two years after the date of the first publication of such notice, the Authority and the 1988 Trustee may enter into such Supplemental Agreement in substantially the form described in such notice only if there shall have first been delivered to the 1988 Trustee (i) the required consents, in writing, of the holders of the Bonds and (ii) an opinion of Bond Counsel stating that such Supplemental Agreement is authorized or permitted by the Agreement and the Act, complies with their respective terms and, upon the execution and delivery thereof, will be valid and binding upon the Authority in accordance with its terms and will not adversely affect the exclusion from gross income of the interest on the Bonds for purposes of Federal income taxation.

(d) If the holders of not less than the percentage of Bonds required by this Section shall have consented to and approved the execution and delivery thereof, no holder of a Bond shall have any right to object to the execution and delivery of such Supplemental Agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain the Authority or the 1988 Trustee from executing and delivering the same or from taking any action pursuant to the provisions thereof.

(e) Subject to the terms and provisions contained in this subsection (e) of this Section, the holders of all the Bonds at any time Outstanding shall have the right, and the Authority and the 1988 Trustee by their execution and delivery of the Agreement expressly confer upon such holders the right to modify, alter, amend or supplement the Agreement in any respect, including without limitation in respect of the matters described in clauses (i), (ii), (iii) and (iv) of the proviso contained in subsection (a) of this Section, by delivering to the Authority and the 1988 Trustee a written instrument or instruments, executed by or on behalf of such holders, containing a form of Supplemental Agreement which sets forth such modifications, alterations, amendments and supplements, and, upon the expiration of a thirty (30) day period commencing on the date of such delivery during which no notice of objection shall have been delivered by the Authority and the 1988 Trustee to such holders at an address specified in such written instrument, such Supplemental Agreement shall be deemed to have been approved and confirmed by the Authority and the 1988 Trustee, to the same extent as if actually executed and delivered by the Authority and the 1988 Trustee and such Supplemental Agreement shall thereupon become and be for all purposes in full force and effect without further action by the Authority and the 1988 Trustee. The foregoing provisions are, however, subject to the following conditions:

(i) no such Supplemental Agreement shall in any way affect the limited nature of the obligations of the Authority under the Agreement as set forth in Sections 2.06 ("Security for the Bonds") and 7.01 ("Payment of Bonds") thereof or shall adversely affect any of its rights thereunder;

(ii) no such Supplemental Agreement shall be to the prejudice of the obligor under any Credit Facility, the Paying Agent or Co-Paying Agent, any Depositary, the Registrar, any Tender Agent, or any Remarketing Agent; and

(iii) there shall have been delivered to the Authority and the 1988 Trustee an opinion of Bond Counsel stating that such Supplemental Agreement is authorized or permitted by the Agreement and the Act, complies with their respective terms, will, upon the expiration of the aforesaid thirty (30) day period, be valid and binding upon the Authority in accordance with its terms and will not adversely affect the exclusion from gross income of the interest on the Bonds for the purposes of Federal income taxation.

Effect of Supplemental Agreement. Upon the execution and delivery of any Supplemental Agreement pursuant to the provisions of the preceding Sections, the Agreement shall be, and be deemed to be, modified, altered, amended or supplemented in accordance therewith, and the respective rights, duties and obligations under the Agreement of the Authority, the 1988 Trustee and all holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced under the Agreement subject in all respects to such modifications, alterations, amendments and supplements.

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APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

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DELAWARE TRANSPORTATION AUTHORITY
$212,535,000
U.S. 301 Project Revenue Bonds, Series of 2015

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated December 16, 2015 (including any amendments or supplements hereto, the "Disclosure Agreement") is executed and delivered by the DELAWARE TRANSPORTATION AUTHORITY (as more fully defined below, the "Authority") in connection with the issuance of the above-captioned bonds (the "2015 Bonds"). The Authority, 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 Authority for the benefit of the Holders from time-to-time of the Bonds (as defined below) and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Indenture (as defined below) or the Trust Agreement (as defined below), which apply to any capitalized terms used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the meanings set forth below:

"Additional Bonds" shall mean any indebtedness of the Authority issued subsequent to the 2015 Bonds which the Authority 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 not later than the first day of the eighth calendar month immediately following the end of the Authority's fiscal year.

"Annual Financial Information" shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Annual Report" shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Bonds" shall mean the 2015 Bonds and Additional Bonds, if any.

"Dissemination Agent" shall mean any agent of the Authority designated in writing by the Authority which has filed with the Authority 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.

"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.

"Indenture" shall mean shall mean the Master Indenture of Trust, dated as of December 1, 2015, by and between the Authority and Wilmington Trust, National Association, as amended and supplemented.

"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 relating to the 2015 Bonds or a series of Additional Bonds, as applicable.

"Participating Underwriter" shall mean any of the original underwriters of any 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, any State Repository and any future Repository as may be required under the Rule.

"Rule" shall mean Rule 15c2-12 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.

"State Repository" shall mean any public or private repository or entity designated by the State of Delaware as a state information repository for the purpose of the Rule and with which the Authority is legally required to file the Annual Report. Currently, there is no State Repository in Delaware. The list of state information repositories maintained by the United States Securities and Exchange Commission shall be conclusive as to the existence of a State Repository.

"Trust Agreement" shall mean the Trust Agreement, dated as of August 1, 1988, by and between the Authority and Wilmington Trust Company, as amended and supplemented.

"2015 Bonds" shall mean the Authority's $212,535,000 aggregate principal amount U.S. 301 Project Revenue Bonds, Series of 2015, dated December 16, 2015.

Section 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than the Annual Filing Date (beginning with the Authority's fiscal year ending June 30, 2016), 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 Authority 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 Authority may be submitted separately from the balance of the Annual Report.

(b) If the Authority 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)(15) shall be deemed to have occurred and the Authority shall report to the Repository electronically 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 Authority 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 Authority not submitted as part of the Annual Report shall be provided to the Repository, if and when available to the Authority, and in any event not more than thirty (30) days after receipt thereof from the Authority's auditors. In the event that audited financial statements are not submitted as part of the Annual Report, the Authority shall provide in lieu thereof, when available, unaudited financial statements for the relevant fiscal year.

(e) The Authority 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 Authority's Annual Report shall contain or incorporate by reference the information listed in Exhibit A 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 Authority 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 Authority 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 Authority under this Section 4, provided however that the Authority 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 Authority (for the purposes of the event identified in 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 Authority 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 Authority, 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 Authority);

13. The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, 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; and

15. Failure to provide annual financial information as required.

(b) Upon the occurrence of a Notice Event, the Authority shall file, or cause the Dissemination Agent to file, a notice of such occurrence with the MSRB via EMMA 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)(i) above shall be audited in accordance with generally accepted accounting principles applicable in the preparation of financial statements of the Authority 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 shall also comply with applicable federal and state auditing statutes, regulations, standards and/or guidelines. The Authority 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 Authority's obligations under this Disclosure Agreement shall terminate upon (a) the legal defeasance, prior redemption or payment in full of all of the Bonds, or (b) the assumption by a successor Obligated Person of all of the obligations of the prior Obligated Person both hereunder and under the Bonds. The prior Obligated Person shall provide timely written notice to each Repository of any termination of its obligations hereunder.

Section 8. Dissemination Agent. The Authority 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 Authority may modify or amend this Disclosure Agreement. The Authority acknowledges and agrees that the current SEC interpretation of the Rule requires satisfaction of the following preconditions for any amendment:

(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 Authority, or change in the type of business conducted by the Authority;

(ii) this Disclosure Agreement, as amended, would have complied with the requirements of the Rule as of the date of issuance of the relevant Bonds, after taking into account any amendment or interpretations of the Rule, as well as any change in circumstances; and

(iii) the modification or amendment does not materially adversely affect the interests of Holders, as determined either by a party unaffiliated with the Authority (such as the Trustee or nationally recognized bond counsel) or by an approving vote of a majority of Holders.

(b) The Authority shall report any modification or amendment of this Disclosure Agreement as required by the Rule. To the extent required by the Rule, the Authority 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.

(c) 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 Authority 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 Authority 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

Authority 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 Authority, or any Dissemination Agent engaged by the Authority, 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 Authority to comply with any provision of this Disclosure Agreement, the 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 Authority 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 Indenture or the Trust Agreement or any document relating to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Authority 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 Authority 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.

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IN WITNESS WHEREOF, the DELAWARE TRANSPORTATION AUTHORITY has caused this Disclosure Agreement to be duly executed as of the day and year first above written.

DELAWARE TRANSPORTATION AUTHORITY

By:____________________________________

Director of Finance
Department of Transportation

EXHIBIT A

CONTENTS OF ANNUAL REPORT

The Annual Report shall contain the following with respect to the prior fiscal year:

1. Audited financial statements in form and content substantially the same as those appended to the Authority's Official Statement with respect to the 2015 Bonds.

2. An update of the type of information included in the below-listed tables in the Official Statement:

(a) Summary of Revenue Dedicated to the Trust Fund (p. H-2);

(b) Summary Results (p. H-3);

(c) History of Gallonage and Revenue from Motor Fuel Taxes (p. H-5);

(d) Vehicle Trips and Delaware Turnpike Revenue (p. H-12);

(e) Delaware Turnpike Barrier Tolls (p. H-14);

(f) History of Motor Vehicle Document Fees (p. H-16);

(g) History of Motor Vehicle Registrations and Revenue (p. H-20); and

(h) History of Pledged Miscellaneous Transportation Revenue (p. H-23).

APPENDIX G

BOOK-ENTRY SYSTEM

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Portions of the following information concerning The Depository Trust Company ("DTC") and DTC's book-entry-only system have been obtained from DTC. The Authority, the Financial Advisor, and the Underwriters make no representation as to the accuracy of such information.

Initially, DTC will act as Securities Depository for the 2015 Bonds. The 2015 Bonds initially will be issued solely in book-entry form to be held under DTC's book-entry only system, 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 2015 Bond certificate will be issued for each maturity and interest rate of the 2015 Bonds, in the aggregate principal amount of the 2015 Bonds of such maturity, and will be deposited with DTC.

DTC, the world's largest securities 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 ("*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 transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of 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. So long as the 2015 Bonds are maintained in book-entry form with DTC, the following procedures will be applicable with respect to the 2015 Bonds.

Purchases of the 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2015 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2015 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 2015 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 2015 Bonds, except in the event that use of the book-entry system for the 2015 Bonds is discontinued.

To facilitate subsequent transfers, all 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 2015 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 2015 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2015 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.

As long as the book-entry system is used for the 2015 Bonds, redemption notices will be sent to Cede & Co. If less than all of the 2015 Bonds within a maturity and interest rate 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.

As long as the book-entry system is used for the 2015 Bonds, principal or redemption price of, and interest payments on, the 2015 Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities 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 or redemption price and interest to 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. Beneficial Owners of the 2015 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2015 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the financing documents. For example, Beneficial Owners of the 2015 Bonds may wish to ascertain that the nominee holding the 2015 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 registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2015 Bonds, unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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 2015 Bonds are credited on the record date (identified in listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the 2015 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 the 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 securities 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 (nor its nominee), the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or 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 depository with respect to the 2015 Bonds at any time by giving reasonable notice to the Authority and the Trustee. In addition, the Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository). Under either of such circumstances, in the event that a successor Securities Depository is not obtained, bond certificates are required to be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the Authority takes no responsibility for the accuracy thereof.

THE AUTHORITY AND TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE 2015 BONDS: (I) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE 2015 BONDS, OR (II) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE 2015 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

THE AUTHORITY AND THE TRUSTEE WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO ANY SECURITIES DEPOSITORY, ANY PARTICIPANTS IN THE BOOK-ENTRY SYSTEM, OR THE BENEFICIAL OWNERS WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY THE SECURITIES DEPOSITORY OR ANY PARTICIPANT; (II) THE PAYMENT BY THE SECURITIES DEPOSITORY OR BY ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY PARTICIPANT OR BENEFICIAL OWNER, RESPECTIVELY, IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION PRICE OF, OR INTEREST ON, ANY 2015 BONDS; (III) THE DELIVERY OF ANY NOTICE BY THE SECURITIES DEPOSITORY OR ANY PARTICIPANT; (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE 2015 BONDS; OR (V) ANY OTHER ACTION TAKEN BY THE SECURITIES DEPOSITORY OR ANY PARTICIPANT.

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APPENDIX H

SUMMARY OF PLEDGED TTF REVENUES

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SUMMARY OF PLEDGED TTF REVENUES

To facilitate the Authority's development of a unified transportation system in the State of Delaware (the "State") and to take advantage of the Authority's broad financing powers, in 1987 the Transportation Trust Fund (the "TTF") was created by law. The TTF was created to consolidate and dedicate transportation related revenue to transportation projects and to provide a flexible mechanism to handle increasing funding requirements over time for all transportation projects in the State. The TTF is the State's financing vehicle for transportation capital expenditures. Funding for such expenditures is derived from bond proceeds, excess TTF revenue, and cash balances.

Summary of Revenue Dedicated to the TTF

Forecasts

The Delaware Economic and Financial Advisory Council ("DEFAC") is a council comprised currently of 33 government officials and private citizens from the business and financial communities appointed by the Governor. DEFAC was established to provide to the General Assembly General Fund revenue forecasts and TTF revenue forecasts six times each fiscal year in September, December, March, April, May and June for the current fiscal year and the succeeding two fiscal years. A forecast for the current fiscal year and the succeeding four fiscal years is generated once each year, not later than October 1. A seven-year forecast is generated for the TTF. General Fund and TTF expenditure forecasts are generated for the current fiscal year in September, December, March, April, May and June. These forecasts are used in the State budget process to assist State compliance with the State's constitutional limits on spending and statutory debt limitations.

DEFAC forecasts revenue of the TTF applying various assumptions and forecasts provided to it by the Delaware Department of Transportation (the "Department"). Some of these forecasts are based on the "Traffic and Revenue Study" dated March 18, 2014 prepared by Stantec Consulting Services Inc. (the "Transportation Consultant") with respect to I-95/Delaware Turnpike and Route 1 Toll Road. The forecasts contained herein reflect the DEFAC forecasts from its September 21, 2015 meeting and, where noted, internally prepared projections by the Department and/or the Authority. DEFAC will meet again and release updated forecasts on December 21, 2015.

Certain statements included or incorporated by reference in this Appendix H constitute forward-looking statements. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget," "forecast," "assume" and other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the forecasts of DEFAC, the Department and/or the Authority in any way, regardless of the level of optimism communicated in the information. The Authority is not obligated to issue any updates or revisions to the forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based do or do not occur.

General

The TTF receives the motor fuel taxes, the Delaware Turnpike toll and concession revenue, Route 1 Toll Revenue (as defined in the 1988 Trust Agreement), the motor vehicle document fee revenue, the motor vehicle registration fee revenue, Miscellaneous Transportation Revenue (as defined in the 1988 Trust Agreement) and the interest earnings on the TTF's balances. All of the revenue derived from these sources, except the Route 1 Toll Revenue and the Non-Pledged Miscellaneous Transportation Revenue (as defined in the 1988 Trust Agreement) (which includes, among others, appropriated escheat revenues), is pledged to secure the senior bonds, junior bonds and subordinated indebtedness (including the 2015 Bonds and the TIFIA Series 2015 Bond) issued pursuant to the 1988 Trust Agreement and are referred to as the "Pledged TTF Revenues". ***This summary provides data only with respect to the Pledged TTF Revenues.***

The following table and chart summarize the revenue which is currently dedicated to the TTF, and identify that revenue which is pledged to secure Bonds (for purposes of this Appendix H, "Bonds" shall mean, in order of priority, Senior Bonds, Junior Bonds, and Subordinate Indebtedness (as each such term is defined in the 1988 Trust Agreement) that are or will be secured by Pledged TTF Revenues), issued pursuant to the 1988 Trust Agreement:

	Fiscal Year 2015 (in $ millions)		Percentage of Total Fiscal Year 2015 Pledged Revenue
Pledged TTF Revenues			
Motor Fuel Taxes	$117.0		28.3%
Delaware Turnpike Toll/Concession	120.3		29.1%
Motor Vehicle Document Fees	94.0		22.8%
Motor Vehicle Registration Fees	51.2	(1)	12.4%
Miscellaneous Transportation Revenue	28.4	(2)	6.9%
Investment Earnings	1.9		0.5%
Total Pledged Revenue	$412.8		100.0%
Not Pledged TTF Revenues			
Route 1 Toll Road Revenue	55.8		
Non-pledged Miscellaneous Revenue	12.4	(3)	
Total Non-Pledged Revenue	$68.2		
Total TTF Revenues	**$481.0**		

(1) Net of refunds to other states under the International Registration Plan ($0.1 million).
(2) Net of refunds to other jurisdictions under the International Motor Fuel Tax Agreement ($0.38 million) and transfers to the General Fund ($0.58 million).
(3) Traffic violation surcharge revenue, general fund transfers including motor vehicle dealer handling fee, motor vehicle dealer annual licensing fee, development plan review fees, motor vehicle use tax on vehicle lease payments, real estate lease fees, and property sales.

Sources and Uses of Funds for Fiscal Years 2012, 2013, 2014 and 2015

The following summary of the results of the Sources and Uses of Funds are for Fiscal Years ended June 30, 2012, 2013, 2014 and 2015 (the audited financial statements for Fiscal Year 2014 and 2015 are included in APPENDIX A and APPENDIX A-2, respectively). The summary reflects the flow of funds required by the 1988 Trust Agreement as illustrated in the Flow of Funds diagram above.

Summary Results for the Fiscal Years Ended
(dollars in thousands)

SOURCES OF FUNDS:	2012	2013	2014	2015
Existing Pledged Revenue				
I-95 Tolls & Concessions	117,133	120,089	122,404	120,364
Motor Fuel Tax Admin.	115,877	115,008	116,928	119,663
DMV Fees	142,790	150,601	160,333	170,978
Interest Income	3,160	2,220	2,257	1,845
Total Pledged Revenue	**378,960**	**387,918**	**401,922**	**412,850**
Non-Pledged Revenues				
SR 1 Tolls	44,889	46,224	47,562	55,767
Continuing General Fund Support	40,000	40,000	45,100	0
IRIB Settlement	0	0	5,250	0
DE Transit (Farebox, FTA, & Other)	17,687	18,785	19,388	19,080
Port of Wilmington - Refinancing	1,628	1,628	1,628	1,628
Build America Bond Subsidy	2,026	1,242	1,173	1,206
Other Miscellaneous Revenue	11,324	11,158	11,577	9,571
Total Non-Pledged Revenue	**117,554**	**119,037**	**131,678**	**87,252**
Total Revenue	**496,514**	**506,955**	**533,600**	**500,102**
Borrowing	0	0	0	0
TOTAL SOURCES	**496,514**	**506,955**	**533,600**	**500,102**
USES OF FUNDS:				
Debt Service				
DTA Bonds & Notes	123,366	116,197	110,175	103,668
State G.O. Bonds	377	213	153	108
Total Debt Service	**123,743**	**116,410**	**110,328**	**103,776**
Operations				
Department Operations	141,818	142,792	157,033	157,900
Delaware Transit Corp. Operations	95,203	99,122	103,266	104,663
Total Operations	**237,021**	**241,914**	**260,299**	**262,563**
State Capital Spending	**191,479**	**188,000**	**171,144**	**136,624**
TOTAL USES	**552,243**	**546,324**	**541,771**	**502,963**
Additional Senior Bonds Test	3.05	3.32	3.63	3.98

Motor Fuel Tax Revenue

General

Motor fuel tax revenue is derived from taxes imposed by the State on gasoline and special fuels. This revenue totaled $117.0 million (net of refunds) in Fiscal Year 2015. Motor fuel tax revenue provided 28.0% of the revenue pledged to secure the Bonds in Fiscal Year 2015 and is the second largest component of such pledged revenue.

The term "gasoline" includes all products commonly or commercially known as gasoline but does not include liquefied gases. The term "special fuel" means all combustible gases and liquids, except gasoline, suitable for the generation of power for propulsion of motor vehicles. Gasoline taxes are payable by licensed distributors and special fuel taxes are remitted by licensed special fuel suppliers, users and dealers based on the sale or use of special fuels. Distributors, licensed special fuel users, dealers and suppliers are required to file tax reports monthly and remit the taxes due for the preceding month. Failure to file reports or remit taxes subjects the distributor, dealer, user or supplier to monetary penalties plus civil or criminal proceedings. Exemptions from the motor fuel tax are provided to the United States or any government agencies thereof and to the State and its political subdivisions, among other entities.

Motor fuel taxes were imposed at the rate of 16 cents per gallon for gasoline and special fuels for the period from September 1, 1987 to December 31, 1990. On January 1, 1991 the motor fuel tax increased to 19 cents per gallon. In June, 1993, the General Assembly enacted increases in both the gasoline and special fuels tax rates as follows: (1) the gasoline tax rate increased to 22 cents per gallon on September 1, 1993 and to 23 cents per gallon on January 1, 1995; and (2) the special fuels tax rate increased to 22 cents per gallon on January 1, 1995.

Historical Summary of Gallonage and Revenue from Motor Fuel Taxation

The following table summarizes certain historical information pertaining to motor fuel taxes and motor fuel usage in the State.

History of Gallonage and Revenue from Motor Fuel Taxes

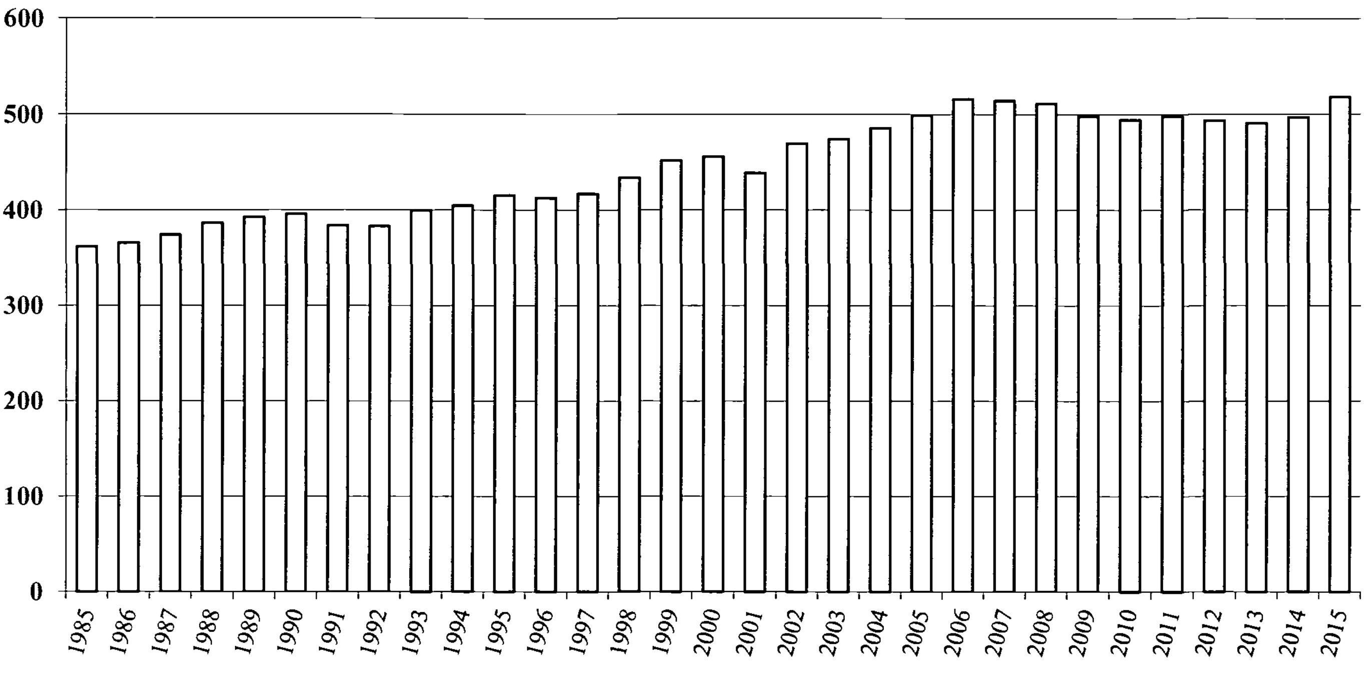
(dollars and gallonage in millions; percent change calculated from unrounded data)

	Gallonage	Change	Revenue [1]	Change
1985	361.5	--	$ 39.4 [2]	--
1986	365.6	1.1 %	40.2	2.0 %
1987	374.2	2.4	45.7 [3]	13.7
1988	386.4	3.3	59.2 [4]	29.5
1989	392.5	1.6	62.6	5.7
1990	395.8	0.8	63.4	1.3
1991	383.9	(3.0)	66.0 [5]	4.1
1992	382.8	(0.3)	72.5	9.9
1993	399.7	4.4	75.6	4.3
1994	404.8	1.3	84.7 [6]	12.0
1995	415.5	2.6	91.7 [7]	8.3
1996	412.7	(0.7)	94.1	2.6 [8]
1997	417.2	1.1	95.1	1.1
1998	433.8	4.0	98.5	3.6
1999	451.9	4.1	102.5	4.0
2000	455.7	0.8	103.9	1.4
2001	438.8	(3.7)	98.9	(4.8)
2002	469.6	7.0	107.7	8.9
2003	474.2	1.0	107.3	(0.4)
2004	485.7	2.4	112.4	4.8
2005	499.2	2.8	113.7	1.1
2006	516.2	3.4	120.1	5.7
2007	514.6	(0.3)	117.5	(2.2)
2008	511.4	(0.6)	117.7	0.2
2009	498.1	(2.6)	114.6	(2.6)
2010	494.5	(0.7)	112.9	(1.5)
2011	498.1	0.7	113.8	0.8
2012	493.5	(0.9)	112.9	(0.7)
2013	490.7	(0.6)	112.6	(0.3)
2014	496.7	1.2	114.6	1.8
2015	518.0	4.3	117.0	2.1

(1) Net of motor carrier fees and refunds for non-highway use.
(2) Rate increased from 9 to 11 cents per gallon on August 1, 1981.
(3) Rate increased from 11 to 13 cents per gallon on October 1, 1986.
(4) Rate increased from 13 to 16 cents per gallon on September 1, 1987.
(5) Rate increased from 16 to 19 cents per gallon for gasoline on January 1, 1991.
(6) Rate increased from 19 cents to 22 cents per gallon for gasoline on September 1, 1993.
(7) Rate increased from 22 cents to 23 cents per gallon for gasoline and from 19 to 22 cents per gallon for special fuels on January 1, 1995.
(8) Reflects full year impact of Fiscal Year 1995 rate increase.

The following graph plots the taxable motor fuel consumed in the State from Fiscal Year 1985 through Fiscal Year 2015.

Motor Fuel Consumption
Fiscal Years 1985-2015
(in millions of gallons)



Motor Fuel Consumption

Motor fuel consumption is affected by various factors, including population growth, stages of the business cycle, cost and availability of fuel, the requirements of the Federal Energy Act and the Federal Clean Air Act Amendments of 1991 and the fuel efficiency of the vehicle fleet.

During the thirty-one year period from Fiscal Year 1985 through Fiscal Year 2015, motor fuel consumption has risen from a low of 361.5 million gallons during the Fiscal Year 1985 to an all-time high of 518 million gallons during Fiscal Year 2015. Until 2014, motor fuel consumption has declined in every year since 2007, except for a 0.7% increase in Fiscal Year 2011 which is attributed to the re-opening of the I-95 service plaza that had been closed for most of Fiscal Year 2010. Motor fuel consumption has risen in both Fiscal Year 2014 and 2015. In Fiscal Year 2015, the I-95 service plaza sold over 8.8 million gallons of gasoline and over 3.5 million gallons of diesel fuel.

Special fuel consumption has increased significantly since Fiscal Year 1980 primarily because of the increased use of diesel engines. Special fuel's percentage of total consumption has increased from 9.2% in Fiscal Year 1980 to 13% in Fiscal Year 2015.

Projections of Gallonage and Revenue from Motor Fuel Taxes

Based on the historical data regarding motor fuel consumption, current economic conditions and some of the factors referenced below, DEFAC has provided projections of fuel revenues through Fiscal Year 2022. An important factor which will affect future motor fuel consumption and revenues, both nationally and in Delaware, is the shift in consumer purchasing toward smaller more fuel-efficient vehicles. Increases in vehicle fuel efficiency will also impact consumption. New vehicles entering the fleet have increased the average number of gallons for all vehicles and future changes in vehicle technology may affect gasoline consumption.

Revenues and fuel consumption are impacted by several factors which contribute to increases and decreases in both the price and availability of gasoline. Such factors taken into consideration are:

- U.S. dependency on imported crude oil has been decreasing due to continued domestic development of light oil and increased offshore development. Based on estimates from the Department of Energy - U.S. Energy Information Administration (EIA), by 2020, domestic oil production could be at the high levels previously seen in 1994;
- Use of other fuel types, such as biofuel, has increased in the U.S., reducing the need for gasoline;
- Demand for fuel remains uncertain based on domestic and world economic recovery and future economic conditions. A potential slowing of domestic demand could result in lower prices; however, price decreases could be offset by increased demand overseas as global economic conditions improve;
- Political unrest in oil-producing countries creates price uncertainty;
- Vehicle Miles Traveled (VMT) on a national level decreased by 2.5% between 2007 and 2008 and by 2.2% between 2010 and 2011. Delaware VMT patterns from 2006 to 2011 reflected a 6.3% decrease (from a high of 9.5 billion miles in 2006 down to 8.9 billion in 2011). Since 2011, Delaware VMT has increased by 3.4%, reaching an annual level of 9.2 billion in 2013. Fuel price increases could decrease future Delaware VMT, as seen when gasoline prices increased in 2008 and 2011.
- Vehicle fuel efficiency continues to increase. The latest data available from the U.S. Environmental Protection Agency shows that the adjusted 2012 composite model year fuel economy was at a high of 23.6 miles per gallon (mpg). It is assumed that fuel efficiency of vehicles will continue to increase. Total fleet federal Corporate Average Fuel Economy (CAFE) requirements are set at 34.1 mpg for 2016 (37.8 mpg average for passenger cars / 28.8 mpg for light trucks).
- Currently, motor fuel consumption has increased in both Fiscal Year 2014 and 2015 primarily due to continued lower fuel prices. This factor weighed heavily in the determination to adjust the current consumption forecast and the forecast for the following two Fiscal Years, at which point, it is believed that fuel consumption will return to the previous negative growth rate.

The forecasted motor fuel consumption and revenue from motor fuel taxation, assumes the current and approved rate structure of $.23 per gallon for gasoline and $.22 per gallon for special fuels.

Projections of Gallonage and Revenue from Motor Fuel Taxes[1]
(dollars and gallonage in millions)

Fiscal Year	Gallonage	Percent Change	Revenue[2]	Percent Change
2016	520.0	0.4%[3]	$118.0	0.4%[3]
2017	520.0	0.0	118.0	0.0
2018	520.0	0.0	118.0	0.0
2019	516.0	(0.8)	117.0	(0.8)
2020	512.0	(0.8)	116.1	(0.8)
2021	508.0	(0.8)	115.2	(0.8)
2022	504.0	(0.8)	114.3	(0.8)

(1) Projections provided by DEFAC from its September 21, 2015 meeting.
(2) Revenue net of motor carrier fees and refunds for non-highway use.
(3) Percent change from Fiscal Year 2015 actual.

Toll Revenue

Delaware Turnpike Revenue

General. The toll and concession revenue of the Delaware Turnpike generated the largest source of revenue to the TTF: $120.3 million in Fiscal Year 2015 or 29.0% of the revenue pledged to secure the senior bonds, junior bonds and subordinated indebtedness issued pursuant to the 1988 Trust Agreement. Of the total toll and concession revenue in Fiscal Year 2015, toll revenue comprised 98% and concession revenue comprised 2%.

Electronic Tolls. In 1998, the Department joined a consortium of several transportation agencies from New Jersey and New York (the "Consortium") for the purpose of installing an electronic toll collection system ("E-Z Pass System") on the toll roads and bridges operated by the members of the Consortium. Pursuant to a Contract (the "Vendor Contract"), dated March 10, 1998, between The New Jersey Turnpike Authority, as the designated representative of the Consortium, and Adesta Communications (formerly MFS Network Technologies, Inc.) (the "Vendor"), the Department completed the installation of the E-Z Pass System on the Route 1 Toll Road and the Delaware Turnpike (which became operational on the Delaware Turnpike in November 1998, the southern section of the Route 1 Toll Road in April 1999 and the northern section in November 1999). All tolls, due to the Authority, paid by the users of the E-Z Pass System in Delaware are promptly being remitted to Delaware. Under the Vendor Contract, the Department has a contingent liability for a share of various costs to the extent that such costs are not covered by the anticipated revenues. The Department prepaid its entire liability in Fiscal Year 2007.

For a variety of reasons, the Department determined to separate from the Consortium. In connection with that decision, the Department entered into an agreement in late March 2003 with the New Jersey Turnpike Authority, pursuant to which the Department received certain one-time payments totaling $7.6 million and a further $1 million in work effort required to complete a Fiber Optic network for the State's E-Z Pass System.

In connection with the decision to separate from the Consortium, the Department issued a Request for Proposals and subsequently entered into an Agreement with TransCore for the build-out and operation of the Department's new stand-alone E-Z Pass Customer Service Center and Violations Processing Center. The Center was completed and made operational in October 2003.

The implementation of the E-Z Pass System occurred in stages. The implementation of E-Z Pass coincided with the increase in tolls at the Delaware Turnpike in January 1999. Implementation on the southern section of State Route 1 occurred in April 1999 and implementation in the northern section occurred with the opening of the tolls at Biddles Corner, southern New Castle County, in November 1999.

The E-Z Pass System has increased the Authority's ability to track traffic and transactions at the toll barriers and has aided in the electronic transfer of funds to TTF accounts. It has also increased the Authority's enforcement of violations for non-payment of tolls.

Delaware's E-Z Pass utilization rates have increased as expected. The Delaware Turnpike has a utilization rate of 69.3%, while the rate on State Route 1 was 70.5% for Fiscal Year 2015. These rates will continue to increase as neighboring toll facilities join the E-Z Pass network. The Delaware River and Bay Authority (operator of the Delaware Memorial Bridge), started operating in the E-Z Pass network in July 2001. Delaware's toll roads are now connected to E-Z Pass participants to the north and the south, which will lead to further increases in utilization.

<u>Description of Delaware Turnpike</u>. The Delaware Turnpike comprises 11.3 miles of the nation's Interstate 95, which extends along the east coast from Maine to Florida. To the southwest, the Delaware Turnpike connects directly to the Maryland Turnpike, a similar toll facility extending southward to Baltimore.

The easterly terminus of the Delaware Turnpike is at Delaware Route 141 where the Delaware Turnpike meets the following three non-toll sections of the State's interstate road system: Interstate 95 which extends north to Wilmington, Delaware and into Pennsylvania; Interstate 495 which bypasses Wilmington to the east and rejoins I-95 at the Delaware/Pennsylvania state line; and Interstate 295 which connects with U.S. Routes 13, 40 and 301 immediately to the east, and continues across the Delaware Memorial Bridge, connecting with the New Jersey Turnpike and New Jersey I-295.

Most of the Delaware Turnpike consists of four twelve-foot wide lanes in each direction. There are four interchanges to serve communities along the route. A main barrier toll plaza consisting of 18 lanes (7 cash lanes and 2 high speed E-Z Pass lanes in each direction), the only toll collection point on the Delaware Turnpike, is located near the Maryland state line.

The Authority owns a service plaza facility containing restaurants and one service station which, through contracts with concessionaires, provides additional revenue for the Delaware Turnpike. The facility is located on I-95 near Newark, Delaware, approximately midway on the Delaware Turnpike, between the north and southbound lanes.

The Delaware Welcome Center Travel Plaza was rebuilt over a nine month period beginning September 9, 2009. The new facility opened June 24, 2010 and features a 47,000 square foot building and a new service station operated by Sunoco, with high-speed diesel pumps and a 24-hour convenience store. The $35 million complex was financed entirely with private funding by the operator, HMS Host Corporation, pursuant to a twenty-year contract which extended through June 2008, but which remained in force through carryover provisions until the plaza closed down for construction in September 2009. A new contract was negotiated and executed in July 2008 for the design, finance, construction, operation, and maintenance of a new welcome center and service plaza. The contract also requires the operator to spend, at a minimum, an additional $21 million in capital improvements over the 35-year lease term. To replace revenue lost during the closure, temporary rent payments were made each month during the closure ($170,000/month). A new revenue sharing agreement was also negotiated between the operator and the Department. In Fiscal Year 2015, concession revenue to the Delaware Turnpike totaled $2.6 million.

Historic Traffic and Toll Summary. The average annual growth of vehicle trips since Fiscal Year 1985 has been 1.9%. During Fiscal Year 2014, traffic increased by 0.4%, and also increased by 3.2% in Fiscal Year 2015 (passenger traffic increased by 2.9% and commercial traffic was up 5.9%). For the first three months of Fiscal Year 2016, traffic was 4.3% higher compared to Fiscal Year 2015.

Several factors have had a significant impact on I-95/Delaware Turnpike traffic over the last ten years. These include the recession of 2007 – 2009 and its slow recovery; toll increases in 2005 and 2007; severe weather events such as Superstorm Sandy in October 2012 and severe winter snow and ice storms over the last few years. The current Fiscal Year has already seen several winter storm events. Traffic has also been impacted by the increase in fuel prices in 2008 and 2011. Traffic volumes on I-95/Delaware Turnpike decreased from a high of 28.6 million in Fiscal Year 2004 to 25.8 million in Fiscal Year 2015.

Even though traffic has not fully recovered to the 2004 levels, I-95 traffic has increased in the last two Fiscal Years and has continued very strong into the current Fiscal Year. The largest factor contributing to the traffic increase is the large growth in commercial traffic. The commercial traffic increase is partially due to the implementation of a new Toll Evasion Agreement in Fiscal Year 2014.

Most Recent Toll Increase (Fiscal Year 2008). With input from the General Assembly and the Administration, the Authority evaluated the current toll structure and found that amending the current structure for the Delaware Turnpike would be in the best interest of the Authority. Effective October 1, 2007, all vehicle class tolls increased by $1.00 and the discounts offered to commercial E-Z Pass customers during the hours of 10 p.m. to 6 a.m. was discontinued.

Recent Upgrades to the Turnpike. In Fiscal Year 2011, the high speed E-Z Pass lane project was completed, adding two high speed E-Z Pass lanes at the toll plaza. This project has reduced backups at the toll plaza by allowing more of the E-Z Pass users to have their own high speed lanes through the facility and freeing up space for cash customers.

Toll Evasion Agreement. In Fiscal Year 2008, the Authority discontinued its toll evasion program. Commercial traffic declined from Fiscal Year 2008 through Fiscal Year 2011. In Fiscal Year 2012, as the recession eased, commercial traffic increased by 2.5%. However, in Fiscal Year 2013, traffic unexpectedly declined. In Fiscal Year 2014, after six consecutive months of decline, the decision was made to implement a three-month pilot program for enhanced enforcement of toll evasion by heavy trucks and commercial motor vehicles along the Delaware Route 896 corridor and the vicinity of the I-95 Newark toll plaza.

The Delaware State Police Commercial Motor Vehicle Unit in conjunction with the City of Newark Police Department started a pilot program from November 1, 2014 through January 31, 2015 to enforce heavy trucks and commercial motor vehicles along the Delaware Route 896 corridor and the vicinity of the I-95 Newark toll plaza. The Delaware State Police concentrated its enforcement along Delaware Route 896, Old Baltimore Pike, Elkton Road and Otts Chapel Road. The Newark Police Department concentrated its enforcement on Delaware Route 896 and the Christina Parkway.

The pilot program resulted in 759 hours of enforcement with 564 vehicles being inspected, which resulted in 267 citations being issued. Commercial traffic during this period increased by 22,281 vehicles, which resulted in additional toll revenues of over $182,000. Program costs were $52,120.

There are many variables that affect commercial traffic, and although the Authority cannot attribute the large traffic gains specifically to the enforcement program, the Delaware State Police have witnessed heightened communication between truckers using the corridor, which implies trucker awareness of the enforcement.

Based on the results of the pilot program, on January 21, 2015, the Department entered into two new agreements (each with the Delaware State Police and the City of Newark Police Department) to continue the enforcement program through the end of the Fiscal Year 2015 (February 1, 2015 to June 30, 2015). To reduce the cost while still remaining effective, it was determined that the number of enforcement shifts could be reduced and the program hours of operation would be randomized, so that no enforcement pattern could be detected by the truckers. The extended program resulted in an additional 276,375 trucks passing the toll plaza compared to the previous year. Revenues associated with the increased truck traffic was $2.3 million. Total cost of the agreement was $55,584. Commercial traffic was up 5.9% compared to the previous year.

Both police agency agreements were renegotiated for Fiscal Year 2016. For the first two months of Fiscal Year 2016, commercial traffic continued to show large gains over the previous Fiscal Year. Due to the success of the program, the Department anticipates continuing the program into the future.

The following table summarizes the recorded vehicle trips through the Delaware Turnpike toll barrier and the revenue derived from tolls and concessions from Fiscal Year 1985 through Fiscal Year 2015.

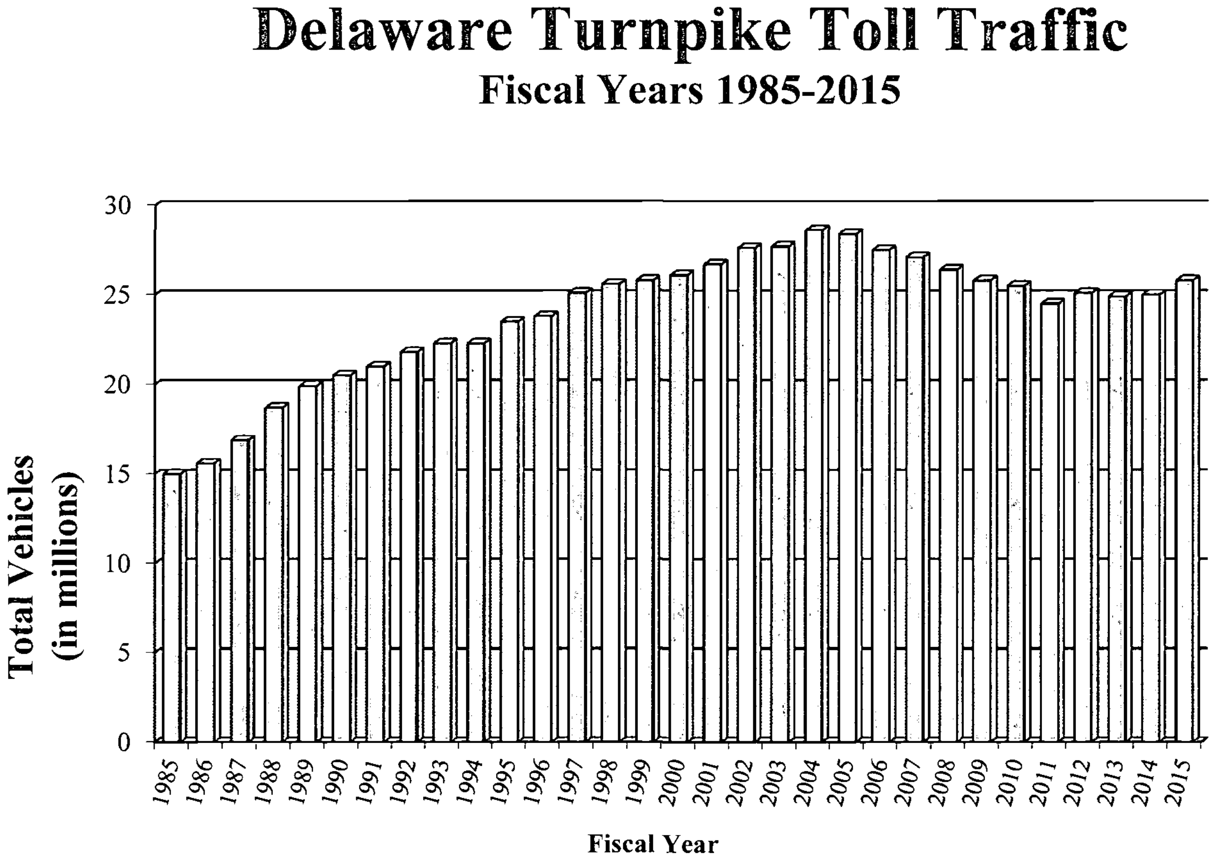
Vehicle Trips and Delaware Turnpike Revenue

(dollars and vehicles in millions, percent change and totals calculated from unrounded data)

	Vehicles Through the Toll Barrier	Change	Toll Revenue	Concession Revenue	Toll and Concession Revenue	Change
1985	15.0	--	19.7 [1]	1.3	21.0	--
1986	15.6	4.1%	20.5	1.3	21.8	3.8%
1987	16.9	8.3	22.3	1.4	23.7	8.7
1988	18.7	10.4	24.6	1.4	26.0	9.7
1989	19.9	6.5	26.1	1.7	27.8	6.9
1990	20.5	3.2	28.3 [2]	1.7	30.0	7.9
1991	21.0	2.1	29.0	1.7	30.7	2.3
1992	21.8	4.0	29.5	1.9	31.4	2.3
1993	22.3	2.4	30.4	2.0	32.4	3.2
1994	22.3	(0.2)	36.7 [3]	2.1	38.8	19.7
1995	23.5	5.4	40.3	2.2	42.5	9.5
1996	23.8	1.7	40.6	2.3	42.9	0.9
1997	25.1	4.7	41.8	2.4	44.2	3.0
1998	25.6	2.2	43.3	2.4	45.7	3.4
1999	25.8	0.7	51.3 [4]	2.5	53.8	17.6
2000	26.1	1.2	60.1	2.5	62.6	16.3
2001	26.7	2.2	61.6	2.6	64.2	2.6
2002	27.6	3.4	62.1	2.5	64.6	0.6
2003	27.7	0.3	60.1	2.5	62.6	(3.0)
2004	28.6	3.0	60.1	2.8	62.9	0.4
2005	28.4	(0.5)	57.9	2.8	60.7	(3.4)
2006	27.5	(3.1)	84.7 [5]	3.0	87.7	44.5
2007	27.1	(1.5)	93.6	3.1	96.7	10.3
2008	26.4	(2.6)	115.4 [6]	2.5	117.9	21.9
2009	25.8	(2.3)	118.8	2.4	121.2	2.8
2010	25.5	(1.2)	117.2	2.2	119.4	(1.5)
2011	24.5	(4.2)	114.1	1.8	115.9	(2.9)
2012	25.1	2.5	115.3	1.8	117.1	1.1
2013	24.9	(0.9)	117.7	2.4	120.1	2.5
2014	20.5	0.4	119.9	2.5	122.4	1.9
2015	25.8	3.2	117.8	2.6	120.4	(1.7)

(1) Reflects toll increase effective July 1, 1983.
(2) Toll adjustments effective October 1, 1989.
(3) Toll increase effective September 1, 1993.
(4) Toll increase for Non-E-Z Pass cars effective on January 4, 1999.
(5) Toll increase effective October 1, 2005.
(6) Toll increase effective October 1, 2007.

The following graph illustrates the growth of traffic through the toll gates of the Delaware Turnpike from Fiscal Year 1985 through Fiscal Year 2015.



Delaware Turnpike Toll Schedules. The Act authorizes the imposition of tolls at the main barrier of the Delaware Turnpike. The Authority has broad power to determine the levels of the tolls. The establishment of tolls does not involve public hearings, nor are the levels of tolls subject to approval by any person or entity other than the Authority itself. In general, the Authority has set tolls to meet debt service and reserve requirements on obligations sold to fund Delaware Turnpike projects, to meet operating and maintenance costs and to fund the costs of constructing and reconstructing feeder roads and related facilities used by Delaware Turnpike travelers.

The following table summarizes the recent toll history and indicates the percentage of toll revenue collected in Fiscal Year 2015 by class of vehicle.

Delaware Turnpike Barrier Tolls

	Jan. 4, 1999 - Sept. 30, 2005	Oct. 1, 2005 - Sept. 30, 2007	Oct. 1, 2007 to Present (4)	% of Fiscal Year 2015 Toll Revenue by Vehicle Class
Commuter Vehicle	n/a	n/a	n/a	n/a
High Occupancy Vehicle (2)	$0.63	n/a	n/a	n/a
Passenger cars, pick up and panel trucks (1)	$2.00	$3.00	$4.00	25.3%
Passenger cars, pick up and panel trucks-EZP	$1.25	$3.00	$4.00	51.7%
Two axles, six tire trucks	n/a	n/a	n/a	n/a
Three axles trucks	$2.50	$5.00	$6.00	2.1%
Three axles trucks EZP 10 p.m. - 6 a.m. (3)	n/a	$1.25	n/a	n/a
Four axle trucks	$3.75	$6.00	$7.00	2.4%
Four axle trucks EZP 10 p.m. - 6 a.m. (3)	n/a	$1.50	n/a	n/a
Five axle trucks	$5.00	$8.00	$9.00	18.0%
Five axle trucks EZP 10 p.m. - 6 a.m. (3)	n/a	$2.00	n/a	n/a
Six axle trucks	$6.25	$10.00	$11.00	0.4%
Six axle trucks EZP 10 p.m. - 6 a.m. (3)	n/a	$2.50	n/a	n/a
Special permit vehicles	$10.00	$10.00	$11.00	0.0%

(1) Includes toll revenue from two axle, six tire trucks which are now in the same vehicle class as passenger cars, pick up and panel trucks.
(2) Special 50% discount applied when commuter's vehicle has two or more passengers.
(3) Commencing October 1, 2005, toll increase and discounts offered to commercial E-Z Pass customers during the hours of 10 p.m. to 6 a.m.
(4) Commencing October 1, 2007, all vehicle class tolls increased by $1.00, and the night-time discount offered to commercial E-Z Pass customers during the hours of 10 p.m. to 6 a.m. was discontinued.

Projections of Delaware Turnpike Toll and Concession Revenue. DEFAC projects toll and concession revenue which projections are set forth in the following chart.

Projected Toll and Concession Revenue of Delaware Turnpike(1)

(dollars in millions)

Fiscal Year	Toll Revenue(2)	Concessions	Total Revenue	Percent Change
2016	$ 122.9	$ 2.7	$ 125.6	1.1%(3)
2017	123.6	2.8	126.4	0.6
2018	124.3	2.9	127.2	0.6
2019	125.0	3.0	128.0	0.6
2020	125.8	3.1	128.9	0.7
2021	126.6	3.1	129.7	0.6
2022	127.4	3.2	130.6	0.7

(1) Projections provided by DEFAC from its September 21, 2015 meeting.
(2) Excludes "Other Turnpike Revenue".
(3) Percent change from Fiscal Year 2015 actual.

New Revenue Legislation for Fiscal Year 2016

The Delaware General Assembly passed House Bill 140 on June 30, 2015, increasing various Department of Motor Vehicle fees. All fee increases became effective on October 1, 2015.

House Bill 140 increased several revenue sources for the TTF. The motor vehicle document fee increased from 3.75% to 4.25%. The fee for late renewal of a driver's license increased from $1.15 to $10, and the fee for late renewal of vehicle registration increased from $10 to $20. The fees for reinstatement of a suspended or revoked driver's license increased from $25 to $40 (for suspended licenses) and $143.75 to $200 (for revoked licenses). The fees for issuance of duplicate documents was raised, with the fee for duplicate driver's license increased from $10 to $20, for duplicate titles from $25 to $50, for duplicate vehicle validation stickers from $1 to $5, and for duplicate registration cards from $2 to $10. The fee for a vehicle temporary tag increased from $10 to $20. The fee for sale of driver's license records increased from $15 to $25. The fee to transfer a specific tag number from vehicle to vehicle increased from $10 to $20. The fee to issue a title for a vehicle increased from $25 to $35. The fee for issuance of a lien on an existing title increased from $10 to $20.

HB-140 Projected Revenue Increase
(in millions)

	Full Year Increase	FY16 Impact 9 Month Increase	FY17 Impact 3 Month Increase
Motor Vehicle Document Fees	$ 12.8	$ 9.5	$ 3.3
Motor Vehicle Registration Fees	1.0	0.7	0.2
Other DMV			
-- Record sales	4.6		
-- Title fees	4.5		
-- Hauling permit fees	1.4		
-- Other DMV Misc. Fees	1.4	-	-
Other DMV TOTAL	11.9	8.9	3.0
TOTAL ANTICIPATED INCREASES	$ 25.7	$ 19.1	$ 6.5

Motor Vehicle Document Fees

General

Motor vehicle document fees are imposed upon the sale or transfer of any new or used motor vehicle, truck tractor, trailer or motorcycle in the State. These fees contributed $94.0 million in Fiscal Year 2015, 22.5% of the Fiscal Year 2015 revenue pledged to the senior bonds, junior bonds and subordinated indebtedness issued pursuant to the 1988 Trust Agreement.

Fiscal Year 2008 Fee Increase. Effective October 1, 2007, the document fee increased by $.50 per hundred dollars of the net vehicle purchase price. The new fee increased from $2.75 per hundred to $3.25 per hundred.

Fiscal Year 2009 Fee Increase. Effective October 1, 2008, the second phase of the document fee increase became effective. The new increase of an additional $.50 per hundred increased the fee to $3.75 per hundred.

Fiscal Year 2016 Fee Increase. Effective October 1, 2015, a document fee increase became effective. The new increase of an additional $0.50 per hundred increased the fee to $4.25 per hundred.

The document fee, which is based on the vehicle purchase price, is paid by the owners and collected by the State for deposit in the TTF. If the price of the vehicle is less than $400, the fee is $8; if the price is $400 to $500, the fee is $13.75. Thereafter, the fee increases by $4.25 for each additional $100 of vehicle purchase price or any fraction thereof. The following table summarizes the history of motor vehicle document fee collections from Fiscal Year 1985 through Fiscal Year 2015.

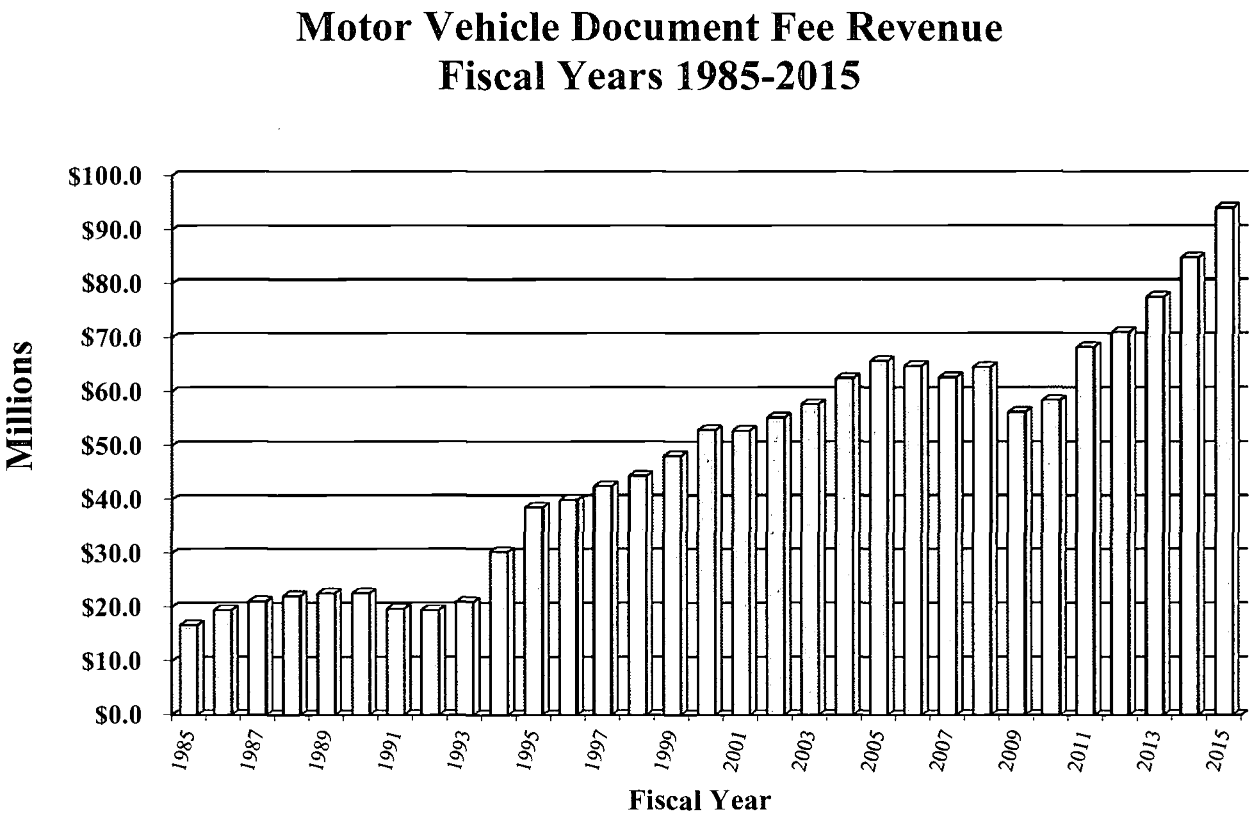
History of Motor Vehicle Document Fees

(vehicles in thousands and dollars in millions,
percent change calculated from unrounded data)

FY	Vehicles Titled (1)	Change	Revenue	Change
1985	229.6	--	16.7	--
1986	251.4	9.5 %	19.5	17.0 %
1987	274.3	9.1	21.1	8.1
1988	270.6	(1.3)	22.1	4.7
1989	233.2	(13.8)	22.6	2.3
1990	213.8	(8.3)	22.6	(0.2)
1991	209.7	(1.9)	19.7	(12.7)
1992	196.4	(6.3)	19.5	(0.8)
1993	193.0	(1.7)	21.0	7.7
1994	199.0	3.1	30.3 (2)	44.3
1995	215.5	8.3	38.6	27.4
1996	211.6	(1.8)	39.9	3.3
1997	216.5	2.3	42.5	6.7
1998	217.0	0.3	44.4	4.4
1999	224.9	3.6	48.1	8.3
2000	232.7	3.5	52.9	9.9
2001	234.0	0.5	52.8	0.0
2002	244.1	4.3	55.2	4.5
2003	248.2	1.7	57.7	4.6
2004	262.3	5.7	62.5	8.4
2005	276.1	5.2	65.7	5.0
2006	275.8	(0.1)	64.8	(1.3)
2007	264.7	(4.0)	62.7	(3.3)
2008	250.1	(5.5)	64.6 (3)	3.0
2009	214.9	(14.1)	56.2 (4)	(13.0)
2010	215.9	0.5	58.4	3.8
2011	232.0	7.5	68.3	17.1
2012	234.0	0.9	71.1	4.1
2013	240.0	2.6	77.6	9.1
2014	251.9	5.0	84.8	9.3
2015	264.6	12.7	94.0	10.9

(1) Includes titles for both new and used vehicles which closely approximates total car sales during each Fiscal Year.
(2) Reflects rate increase from 2% to 2.75%, effective September 1, 1993.
(3) Reflects rate increase from $2.75 per hundred to $3.25 per hundred, effective October 1, 2007.
(4) Reflects rate increase from $3.25 per hundred to $3.75 per hundred, effective October 1, 2008.

The revenue stream in the previous table is illustrated by the following graph.



Document fee revenue decreased in Fiscal Years 1990 through 1992 reflecting that recessionary period. Fiscal 1993 revenue increased 7.7% as the economy improved as indicated by the increase in new car sales of 5.6%. The trend continued during Fiscal Year 1994 as revenue increased over 44% as a result of an increase in new car sales of over 9.1% combined with the document fee increase from 2% to 2.75% in September 1993.

The average annual rate of growth in revenue was 8.0% between Fiscal Year 1994 and Fiscal Year 2007, due in large part to increases in new car sales and document fees (as described below). The average annual rate of growth in revenue was 4.2% between Fiscal Year 1996 and Fiscal Year 2007, despite no increase in the document fee. Document fee revenue is generated by the number of transactions as well as the cost of the vehicle transferred. Fiscal Year 2008 saw revenues increase by 3.0% primarily due to the fee increase. The slowing economy contributed to poor auto sales, as vehicle titles decreased by 5.5% from Fiscal Year 2007.

Again in Fiscal Year 2008 both new and used car sales were down compared to the previous year. Tightening credit conditions along with higher interest rates slowed vehicle sales. These issues combined with increased energy costs reduced consumers disposable income and borrowing ability which resulted in weaker vehicle sales. The continued poor economic conditions caused a reduction in Fiscal Year 2009 revenues. Fiscal Year 2010 titles and revenues started to show an increase, as conditions started to improve. Fiscal Year 2011 document fee revenues were very strong, increasing by 17.1%, the gain can be attributed to the easing of bank financing and pent up demand as consumers once again started to replace older vehicles. Strong vehicle sales continued through Fiscal Year 2015, with Fiscal Year 2012 increasing by 4.1% and Fiscal Year 2013 increasing by 9.1%, Fiscal Year 2014 increasing by 9.3% and Fiscal Year 2015 increasing by 10.9%. Indicators for Fiscal Year 2016 have been strong, but is forecasted to taper down by Fiscal Year's end. However, Fiscal Year 2016 revenues are expected to be higher due to the impact of the new fee increase effective October 1, 2015. The Fiscal Year 2016 impact of the fee increase is estimated to be $9.5 million.

Listed below are the DEFAC forecasts of document fee revenue through Fiscal Year 2022.

Projected Motor Vehicle Document Fees (1)
(vehicles in thousands and dollars in millions)

Fiscal Year	Vehicles Titled	Change	Revenue	Percent Change
2016	272.5	3.0%(2)	$ 106.3(3)	13.0%(2)(3)
2017	280.7	3.0	112.8(3)	3.1 (3)
2018	289.1	3.0	116.2	3.0
2019	297.8	3.0	119.7	3.0
2020	306.7	3.0	123.3	3.0
2021	315.9	3.0	127.0	3.0
2022	325.4	3.0	130.8	3.0

(1) Projections provided by DEFAC from its September 21, 2015 meeting.
(2) Percent change from Fiscal Year 2015 actual.
(3) Reflects fee increase from $3.75 to $4.25 effective October 1, 2015. Fiscal Year 2016 reflects 9 months at new rate and Fiscal Year 2017 reflects first full year at new rate.

Motor Vehicle Registration Fees

General

Motor vehicle registration fees are paid at the time of application for the registration of a motor vehicle and prior to the issuance of the required registration plates by the Division of Motor Vehicles. The revenue (net of refunds to other states) from this source was $51.2 million in Fiscal Year 2015 and constituted 12.2% of the revenue pledged in Fiscal Year 2015 to the senior bonds, junior bonds and subordinated indebtedness issued pursuant to the 1988 Trust Agreement.

Since October 1986, new cars can be registered for a three-year period and effective September 1990, new or used cars have had the option to renew for a two-year period. Commencing in July 2000, any newly-manufactured current model year motor vehicle or trailer with a gross registered weight of 10,000 lbs. or less not previously registered or titled in any state or country may be initially registered by the owner for five years or less. Passenger cars have paid $20 per year since 1965 while trucks pay according to their weight. On October 1, 1991, the registration fee for commercial vehicles increased from $2.60 to $5.20 for each 1000 pounds or fraction thereof in excess of 5,000 pounds as part of the three year plan to increase fees in this category. On July 1, 1992 this fee was increased to $12.00 for each such 1000 pounds or fraction thereof. The third increase to $16.80 for each such 1000 pounds or fraction thereof became effective on July 1, 1993.

Effective October 1, 2007, passenger car registration and the base commercial registration fee increased by $20 per year to $40 per year. Additionally, the registration weight fee for commercial vehicles increased from $16.80 for each 1000 pounds or fraction thereof in excess of 5,000 pounds to

$18.00 for each 1,000 pounds. Motorcycle registration increased from $10 to $15 annually; recreational vehicle, farm truck and trailer registrations and weight fees were also increased.

During January 1995, the Department established the Motor Carrier Service Section to support the trucking industry and entered into a base state agreement under the International Registration Plan ("IRP") for the collection and distribution of commercial registration fees for vehicles in excess of 26,000 pounds. Under IRP, commercial registration fee revenue is a function of the miles traveled in each state and the registration fee assessed by each state.

From Fiscal Year 1985 - 2015, the average annual growth rate of registrations in the State has been 1.8% and the average annual growth rate of revenue from those registrations has been 4.8%, largely due to commercial fee increases enacted in Fiscal Year 1992 and the various fee increases in October 2008. Registration fee revenue growth since Fiscal Year 1987 has varied from the growth in the number of vehicles registered. In Fiscal Year 1987 and Fiscal Year 1988, revenue increased faster than vehicles registered, whereas in Fiscal Year 1989 and Fiscal Year 1990 revenue decreased while the number of vehicles registered increased. The variances are primarily due to the option, beginning in Fiscal Year 1987, for new car owners to elect a three-year registration period. In Fiscal Year 1991, growth in vehicles registered was flat but revenue increased 14.8% due to the implementation of a two-year registration option for used vehicles. Increases in commercial registration fees were phased in from Fiscal Year 1992 through 1994, contributing to increases in revenue of 7.8%, 4.7% and 11.4%, respectively. The growth in registered vehicles from Fiscal Year 2000 to Fiscal Year 2011 was 20.8% as registrations increased to 839.7 from 695.2. This motor vehicle growth rate is directly correlated to the population growth rate in Delaware. In Fiscal Year 2008, registration revenue grew by 31.2% largely due to the fee increases. Vehicle registration slowed, growing only 1.0%, partially due to the slowing housing market, which limited the influx of new residents entering the state and registering their vehicles. The continued poor economic conditions caused small reductions in Fiscal Year 2009 and Fiscal Year 2010 registration counts. However, revenues increased in both Fiscal Year 2009 and Fiscal Year 2010; this is possible because revenues are affected not only by the number of registrations but the type of registration and term selected. The registration term can be from ¼ of a year to up to 5 years for new vehicles.

Registration revenue continued strong in Fiscal Years 2013 through 2015, benefitting from increased vehicle sales. Revenue was up 3.9% in Fiscal Year 2015 and is forecasted to remain positive in Fiscal Years 2016 and 2017. Various registration related fees are scheduled to increase on October 1, 2015; increasing the growth rate forecast to 4.1% for Fiscal Year 2016 and 3.6% for Fiscal Year 2017. The out years are expected to return to the more normal 3% annual growth rate.

Historical Summary of Vehicle Registrations and Revenue

The following table shows the historical record of vehicle registrations and registration fees for the last thirty-one Fiscal Years:

History of Vehicle Registrations and Revenue

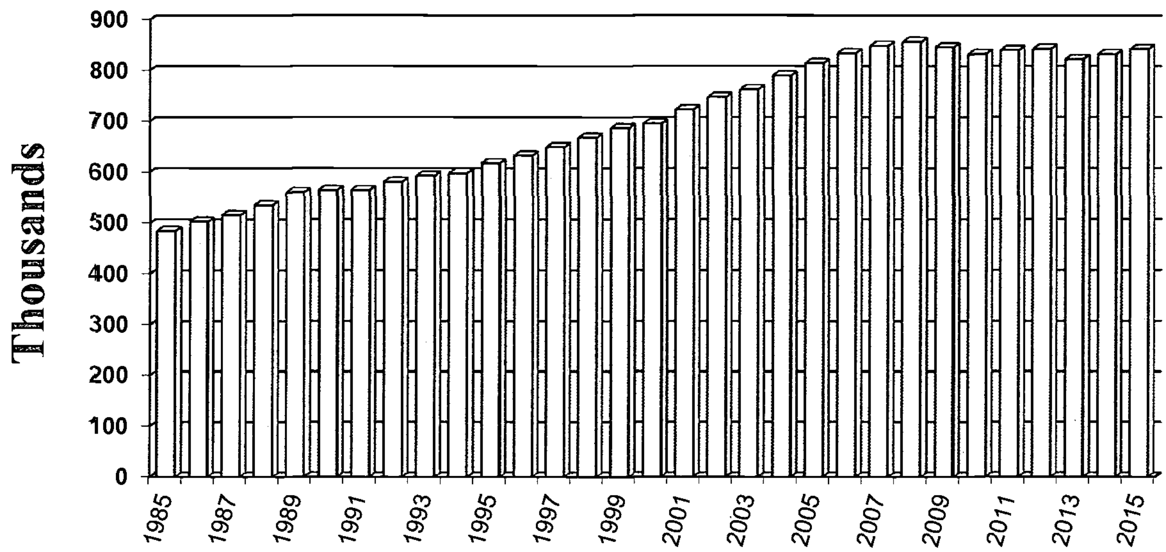
(dollars in millions, vehicle registrations in thousands, percent change calculated from unrounded data)

Fiscal Year	Vehicle Registration	Percentage Change	Registration Revenue		Percentage Change
1985	485.2	--	$ 14.2		4.8
1986	503.0	3.7%	14.4		1.6
1987	515.7	2.5	15.3	(1)	6.5
1988	536.0	3.9	16.2		5.7
1989	560.4	4.5	15.6		(3.7)
1990	565.0	0.8	14.9		(4.3)
1991	565.1	0.0	17.1	(2)	14.8
1992	581.0	2.8	18.4	(3)	7.8
1993	592.8	2.0	19.3	(4)	4.7
1994	598.3	0.9	21.5	(5)	11.4
1995	617.7	3.2	22.2	(6)	3.3
1996	632.6	2.4	22.6	(6)	1.8
1997	649.3	2.6	23.0	(6)	1.6
1998	668.3	2.9	24.8	(6)	8.0
1999	687.1	2.8	24.2	(6)	(2.4)
2000	695.2	1.2	26.6	(6)	10.1
2001	722.9	4.0	27.0	(6)	1.0
2002	747.5	3.4	28.0	(6)	4.0
2003	762.9	2.1	27.8	(6)	(0.7)
2004	790.0	3.5	28.3	(6)	1.8
2005	814.3	3.1	30.2	(6)	6.5
2006	834.3	2.5	30.2	(6)	0.2
2007	848.6	1.7	31.5	(6)	4.1
2008	856.7	1.0	41.3	(6,7)	31.2
2009	845.8	(1.0)	43.3	(6)	4.8
2010	832.7	(1.5)	44.5	(6)	2.8
2011	839.7	0.8	47.2	(6)	5.9
2012	842.4	0.3	46.6	(6)	(1.1)
2013	822.3	(2.4)	47.6	(6)	2.0
2014	831.7	1.1	49.2	(6)	3.4
2015	841.7	1.2	51.2	(6)	3.9

(1) Effective October 1, 1986, new cars owners had the option to register the vehicle for a three year period. Commencing on October 1, 1999, new car owners had the option to register the cars for a four-year period or a five-year period for a fee equal to $20.00 for each year in the period.
(2) New and used vehicle owners had the option to renew the registration for a two year period commencing September 1, 1990.
(3) Fee increase for vehicles in excess of 5,000 pounds effective October 1, 1991.
(4) Fee increase for vehicles in excess of 5,000 pounds effective July 1, 1992.
(5) Fee increase for vehicles in excess of 5,000 pounds effective July 1, 1993.
(6) Net of refunds to other states under IRP.
(7) Various registration fee increases effective October 1, 2007.

The growth of vehicle registrations in the previous table is illustrated in the following graph:

Motor Vehicle Registrations
Fiscal Years 1985-2015
(thousands)



Projected Registration Fee Revenue[1]
(vehicles in thousands and dollars in millions)

Fiscal Year	Vehicles	Percent Change	Revenue	Percent Change
2016	850.1	1.0%[2]	$ 53.3	4.1%[2][3]
2017	858.6	1.0	55.2	3.6
2018	867.2	1.0	56.9	3.1
2019	875.9	1.0	58.6	3.0
2020	884.6	1.0	60.4	3.0
2021	893.5	1.0	62.2	3.0
2022	902.4	1.0	64.0	3.0

(1) Projections provided by DEFAC from its September 21, 2015 meeting. All amounts are net of refunds for IRP.
(2) Percent change from Fiscal Year 2015 actual.
(3) Reflects various increases for motor vehicle registration fees. Fiscal Year 2016 reflects 9 months at increased fees and Fiscal Year 2017 reflects first full year at increased fees.

Miscellaneous Transportation Revenue

Pledged Miscellaneous Transportation Revenue

Motor carrier registration fees, operator license fees, titling fees, Division of Motor Vehicles record sales, vanity tag fees and other miscellaneous transportation related revenue which have been assigned by the State to the TTF and which have been pledged by the Authority to secure the bonds are herein referred to as "Pledged Miscellaneous Transportation Revenue".

Motor carrier registration fee revenue is collected with respect to trucks registered in Delaware and totaled $2.7 million (net of refunds) in Fiscal Year 2015. Motor carrier registration fees are comprised of the motor fuel road use tax, hauling permits, temporary operating permits, and penalty and interest. The road use tax is calculated based upon the miles traveled in Delaware, the average miles per gallon, the actual fuel purchased in Delaware and the rate of the motor fuel tax. To the extent that fuel purchases are less than fuel used, the truckers are taxed at the current motor fuel tax rate for the difference. If fuel purchases in the State exceed the amount of fuel used while traveling roads in Delaware, refunds are made to the motor carrier.

The State charges various fees for obtaining a driver's license. Effective July 9, 2007, the fee for a five-year license to operate a passenger vehicle was increased from $12.50 to $25.00. Commercial drivers' licenses remained unchanged at $30.00. The revenue from these fees was $5.7 million in Fiscal Year 2015. In Fiscal Year 2013, the available term for driver's licenses was increased to a maximum of 8 years.

The Division of Motor Vehicles sells driver and vehicle records for $15 per document and $20 per certified document. These fees increased on October 1, 2015 - $15 to $25 for vehicle records and $20 to $30 for certified records. Revenue from these sales was $.6 million in Fiscal Year 2015. Motor vehicle titling fees are also charged by the Division of Motor Vehicles. Prior to August 1, 1991, a certificate of title cost $4. Effective August 1, 1991, titling fees increased from $4 to $15. Effective October 1, 2007, the title fee increased from $15 to $25, and from $25 to $35 for titles with a lien. Title fees increased on October 1, 2015 from $25 to $35 for title fees and from $35 to $55 for titles with a lien. These fees generated $9.2 million in revenue in Fiscal Year 2015.

State residents may buy "vanity" license plates for their vehicles. The current annual cost for a "vanity" license plate is $40.00 in addition to the $40.00 annual registration fee. There were 12,612 "vanity tags" sold in Fiscal Year 2015, generating revenue of $865,291. In addition to vanity tag revenue, the Department also receives other Division of Motor Vehicle revenue from the issuance of temporary tags and permits, reinstatement fees and nine other miscellaneous categories. Effective August 1, 1991, fees for temporary tags and permits each increased from $4 to $10. Effective October 1, 2015, the following increases went into effect: vehicle temporary tag increased from $10 to $20; duplicate driver's license increased from $10 to $20; duplicate vehicle title increased from $25 to $50; late driver's license renewal increased from $1.15 to $10; driver's license reinstatement increased from $143.75 to $200; retention of vehicle tag increased from $10 to $20; and duplicate vehicle validation sticker increased from $1 to $5. Revenue from other miscellaneous sources of Pledged Miscellaneous Transportation Revenue aggregated $1.8 million in Fiscal Year 2015.

Effective July 9, 2007, the fee for ID cards was also increased from $5.00 to $20.00.

Historical Summary of Pledged Miscellaneous Transportation Revenue

The following table outlines the history of revenue from these sources from Fiscal Year 1985 through Fiscal Year 2015.

History of Pledged Miscellaneous Transportation Revenue
(dollars in millions, percent change calculated from unrounded data)

Fiscal Year	Total Miscellaneous Transportation Revenue		Change	
1985	$ 4.4	(1)	--	
1986	5.3	(2)	20.5	%
1987	5.8	(3)	9.4	
1988	7.1	(4)	22.4	
1989	6.3		(11.3)	
1990	7.0		11.1	
1991	7.9	(5)	12.9	
1992	12.3	(6)	55.7	
1993	13.0	(7)	5.7	
1994	12.9		(0.8)	
1995	13.9	(8)	7.8	
1996	14.6		5.0	
1997	15.5		6.2	
1998	15.7		1.3	
1999	15.8		0.6	
2000	16.4		3.5	
2001	17.4		6.2	
2002	18.2		4.4	
2003	17.3		(4.9)	
2004	19.6		13.2	
2005	24.5	(9)	25.5	
2006	24.0		(2.4)	
2007	23.8		(0.7)	
2008	29.3	(10)	23.1	
2009	27.4		(6.5)	
2010	25.7		(6.2)	
2011	27.5		7.0	
2012	28.0		2.0	
2013	27.9		(0.4)	
2014	28.6		2.5	
2015	28.4		(0.7)	

(1) Motor Fuel Tax increased from 9 to 11 cents on August 1, 1981.
(2) Titling Fee increased from $2 to $4 effective September 1, 1985.
(3) Motor Fuel Tax increased from 11 to 13 cents on October 1, 1986.
(4) Motor Fuel Tax increased from 13 to 16 cents on September 1, 1987. Sale of driver and vehicle records increased from $2 to $4 per copy effective July 1, 1987.
(5) Fee increases for Vanity Tags ($25 to $28.75), Temporary Tags ($2 to $4), License Reinstatement Fees ($125 to $143.75) and Temporary Permits ($2 to $2.30) on July 1, 1990.
(6) Motor Fuel Tax increased from 16 to 19 cents effective January 1, 1991. Titling fees increased from $4 to $15 effective August 1, 1991. Increases in miscellaneous motor vehicle fees (Vanity Tags, Temporary Tags and Temporary Permits) became effective August 1, 1991.
(7) Motor Fuel Tax increased from 19 to 22 cents effective September 1, 1993.
(8) Hauling permits transferred from General Fund and rate on gasoline increased from 22 to 23 cents per gallon and special fuels increased from 19 to 22 cents per gallon effective January 1, 1995.
(9) Driving and vehicle records increased from $4 to $15 per record and certified documents increased from $8 to $20 effective July 1, 2004.
(10) Various fee increases effective in Fiscal Year 2008.

Projected Pledged Miscellaneous Transportation Revenue [1]
($ in millions)

Fiscal Year	Revenues	Percent Change
2016	$ 39.6	39.4%[2] [3]
2017	43.7	10.4[3]
2018	44.9	2.7
2019	46.2	2.9
2020	47.5	2.8
2021	48.8	2.7
2022	50.2	2.9

(1) Projections provided by DEFAC from its September 21, 2015 meeting.
(2) Percent change from Fiscal Year 2015 actual.
(3) Reflects HB-140 increases that became effective on October 1, 2015.

Current Financial Plan

The revenue sources described earlier are combined with the proceeds of the Transportation System Revenue Bonds and support from the federal government to fund the Department's total transportation budget - both operating and capital. The Department updates its six-year financial plan concurrent with the preparation of the annual operating and capital budgets.

The current financial plan assumes that the existing sources of revenues will meet projections without any further increases in the rates. In the event revenues or other sources fall short of projections, the Department will either request additional revenues from the General Assembly, reduce the transportation program or a combination of both.

The table on the following page shows the anticipated financing plan assuming that the full implementation of the proposed Capital Transportation Program is approved by the State.

Base Financial Plan - Capital
FY 2016 September DEFAC
Spend Plan – FINAL
($ in 000s)

Sources of Funds	2016	2017	2018	2019	2020	2021	2022
Existing Pledged Revenue							
I-95 Tolls & Concessions	125,600	126,400	127,200	128,000	128,900	129,700	130,600
Motor Fuel Tax Admin.	121,300	121,300	121,300	120,300	119,300	118,300	117,400
DMV Fees	196,500	209,000	215,300	221,700	228,300	235,200	242,200
Interest Income	2,900	3,000	3,000	3,000	3,500	3,500	3,500
Total Pledged Revenue	**$ 446,300**	**$ 459,700**	**$ 466,800**	**$ 473,000**	**$ 480,000**	**$ 486,700**	**$ 493,700**
Non-Pledged Revenues							
SR 1 Tolls	57,500	58,200	58,900	59,600	60,300	61,000	61,700
DE Transit (Farebox, FTA, & Other)	24,065	24,529	25,003	25,485	25,978	26,498	27,028
Port of Wilmington - Refinancing	1,628	1,628	1,628	1,628	1,618	1,618	1,618
Build America Bond Subsidy Payment	1,199	1,199	1,199	1,199	1,263	1,190	1,110
Other Transportation Revenue	11,100	11,200	11,300	11,400	11,400	11,500	11,500
Total Non-Pledged Revenue	**$ 95,492**	**$ 96,756**	**$ 98,030**	**$ 99,312**	**$ 100,559**	**$ 101,806**	**$ 102,956**
Total Sources of Funds	**$ 541,792**	**$ 556,456**	**$ 564,830**	**$ 572,312**	**$ 580,559**	**$ 588,506**	**$ 596,656**
Uses of Funds							
Debt Service							
Senior Bonds	101,361	95,918	91,786	92,299	88,881	84,277	78,512
New Debt Service	-	-	6,437	6,437	12,874	12,874	12,874
Total Debt Service	**$ 101,361**	**$ 95,918**	**$ 98,223**	**$ 98,736**	**$ 101,755**	**$ 97,151**	**$ 91,386**
Operations							
Turnpike Operations	11,057	11,389	11,730	12,082	12,445	12,818	13,203
Department Operations	140,313	144,522	148,858	153,324	157,923	162,661	167,541
Delaware Transit Corp. Operations (Adj.)	109,486	114,960	120,708	126,744	133,081	139,735	146,722
Total Operations	**$ 260,856**	**$ 270,871**	**$ 281,296**	**$ 292,150**	**$ 303,449**	**$ 315,214**	**$ 327,466**
Total Uses of Funds Before Capital	**$ 362,217**	**$ 366,789**	**$ 379,519**	**$ 390,886**	**$ 405,204**	**$ 412,365**	**$ 418,852**
State Resources Available for Capital[(1)]	**$ 179,575**	**$ 189,667**	**$ 185,311**	**$ 181,426**	**$ 175,355**	**$ 176,141**	**$ 177,804**
Beginning Capital Cash Balance	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Carry-over Encumbrance Balance	11,470	-	-	-	-	-	-
Federal Funds	263,700	309,800	273,200	211,500	247,300	295,800	275,522
Bond Proceeds	-	75,000	-	75,000	-	-	-
Total Funds Available for Capital Expenditures	**$ 474,745**	**$ 594,467**	**$ 478,511**	**$ 487,926**	**$ 442,655**	**$ 491,941**	**$ 473,326**
Less:							
State Capital Expenditures	179,575	264,667	185,311	256,426	175,355	176,141	177,804
Carry-over Encumbrance Spend	11,470	-	-	-	-	-	-
Federal Capital Expenditures	252,714	298,806	262,211	200,517	236,312	284,826	264,529
GARVEE Debt-Service (Federal)	10,986	10,994	10,989	10,983	10,988	10,974	10,993
Total Capital Spending	**$ 454,745**	**$ 574,467**	**$ 458,511**	**$ 467,926**	**$ 422,655**	**$ 471,941**	**$ 453,326**
Sub-Total	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Carry Over Cash	-	-	-	-	-	-	-
Ending Capital Cash	**$20,000**	**$20,000**	**$20,000**	**$20,000**	**$20,000**	**$20,000**	**$20,000**
GARVEE Bond Proceeds	31,438	6,938	-	-	-	-	-
GARVEE Capital Expenditures	24,500	6,938	-	-	-	-	-
GARVEE Ending Capital Cash	**$ 6,938**	-	-	-	-	-	-
Pay Go Revenue	179,575	189,667	185,311	181,426	175,355	176,141	177,804
State Capital	191,045	264,667	185,311	256,426	175,355	176,141	177,804
Pay Go Percentage	94.0%	71.7%	100.0%	70.8%	100.0%	100.0%	100.0%
Additional Senior Bond Test	4.37	4.76	4.72	4.76	4.68	4.97	5.36

(1) Assumes that no funds have been used for the 2015 Bonds or the TIFIA Series 2015 Bond.

Source: Revenue forecasts for all Fiscal Years derived from DEFAC forecasts from its September 21, 2015 meeting. Fiscal Year 2016 expenditure forecast derived from DEFAC forecast from its September 21, 2015 meeting; expenditure forecasts for Fiscal Years 2017-2022 prepared internally by the Department based on an assumed growth rate of 3% for the Department and 5% for the Delaware Transit Corporation.

Projected Flow of Funds – 1988 Trust Agreement
($ in 000s)

	2016	2017	2018	2019	2020	2021	2022
Sources of Funds							
Existing Pledged TTF Revenue	446,300	459,700	466,800	473,000	480,000	486,700	493,700
Uses of Funds							
Total DTA Debt Service	101,361	95,918	98,223	98,736	101,755	97,151	91,386
Turnpike Operations	11,057	11,389	11,730	12,082	12,445	12,818	13,203
Funds Available for 2015 Bonds and TIFIA Series 2015 Bond*	**$333,882**	**$352,393**	**$356,847**	**$362,182**	**$365,800**	**$376,731**	**$389,111**

* Assumes that no additional senior bonds, junior bonds or Subordinate Indebtedness is issued under the 1988 Trust Agreement beyond the $150 million projected to be issued as noted under "State Resources Available for Capital – Bond Proceeds" on the prior page.

APPENDIX I

FORM OF BOND COUNSEL OPINION

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[FORM OF BOND COUNSEL OPINION]

December [16], 2015

BOND COUNSEL OPINION

$212,535,000
DELAWARE TRANSPORTATION AUTHORITY
U.S. 301 PROJECT REVENUE BONDS, SERIES OF 2015

TO THE PURCHASERS OF THE ABOVE-CAPTIONED BONDS:

We have acted as bond counsel in connection with the issuance of $212,535,000 U.S. 301 Project Revenue Bonds, Series of 2015 (the "**Bonds**"), on the date hereof, by the Delaware Transportation Authority, a body politic and corporate constituting a public instrumentality (the "**Authority**") of The State of Delaware (the "**State**"). The Bonds are subject to redemption, in whole or in part, at the times, in the manner and upon the terms set forth in the Bonds.

The Bonds are issued pursuant to Chapter 13, Title 2, Delaware Code, as amended, and Chapter 14, Title 2, Delaware Code, as amended, together with 80 Del. Laws Chap. 78 (collectively, the "**Act**"), a Master Indenture of Trust dated as of December 1, 2015 (the "**Master Indenture**") by and between the Authority and Wilmington Trust, National Association, as trustee (the "**Trustee**"), as supplemented by the First Supplemental Indenture of Trust dated as of December 1, 2015 between the Authority and the Trustee (the "**First Supplemental Indenture**," and together with the Master Indenture, the "**Indenture**"), and a resolution of the Authority dated December 2, 2015 (the "**Authority Resolution**"), and other laws of the State, for the purposes of financing: (i) the construction and equipping of a new U.S. 301 toll road from the Maryland State Line to SR 1, comprised of a new U.S. 301 mainline, which is a limited-access highway on a new location with two lanes in each direction that will connect existing U.S. 301 at the Delaware/Maryland line with SR 1, south of the C&D Canal, a distance of 14 miles, including the construction of any necessary support-facility for the mainline, interchanges, related collector-distributor roads, auxiliary lanes, and toll collection facilities; (ii) capitalized interest on the Bonds during construction; (iii) the funding of a deposit in the Reserve Fund for the Bonds and (iv) the costs associated with issuing the Bonds (collectively, the "**Project**"). Capitalized terms used herein and not defined shall have the meanings ascribed to such term as set forth in the Indenture.

As bond counsel, we have examined an executed counterpart of the Indenture, a certified copy of the Authority Resolution, the Supplemental Agreement No. 27 to Trust Agreement dated as of December 1, 2015 (the "**Supplemental Agreement No. 27**") by and between the Authority and Wilmington Trust Company, as trustee (the "**1988 Trustee**") under that certain Trust Agreement dated as of August 1, 1988, as amended and supplemented (the "**1988 Trust Agreement**"), between the Authority and the 1988 Trustee, the forms of the Bonds and applicable laws. In addition, we have examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary for the purposes of the opinion rendered below, including the Authority's Tax Certificate (the "**Tax Certificate**"). In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. We have relied upon the aforesaid instruments, certificates and documents as to any facts material to our opinion, when relevant facts were not independently established and on the performance of the covenants of the Authority contained in the Authority Resolution. We have relied, as to the execution, authentication and delivery of, and payment for, the Bonds, on certificates of the Authority and the Trustee.

Based on the foregoing, we are of the opinion, on the date hereof, that:

(1) The Authority is a body politic and corporate constituting a public instrumentality of the State duly created and validly existing under and by virtue of the Act and has the power to issue the Bonds for the purpose of financing the Project.

(2) The Authority Resolution has been duly adopted by the Authority, is in full force and effect and is a legal, valid and binding obligation of the Authority, enforceable in accordance with its terms.

(3) The Authority has duly authorized, executed and delivered the Indenture, and the Indenture constitutes a legal, valid and binding obligation of the Authority enforceable against the Authority in accordance with its terms. The Authority has previously authorized, executed and delivered the 1988 Trust Agreement and has duly authorized, executed and delivered the Supplemental Agreement No. 27, and both the 1988 Trust Agreement and the Supplemental Agreement No. 27 constitute legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms.

(4) The Indenture creates the lien on the Pledged Funds (as defined in the Indenture) created therein, except that the Bond Proceeds Funded Account of the Reserve Fund shall be held solely for the benefit of the Secured Owners of the Bonds. Additionally, Supplemental Agreement No. 27 creates a subordinated lien on the Authority's Pledged TTF Revenues on a subordinated basis to senior bonds and junior bonds issued under the Authority's 1988 Trust Agreement

(5) The Bonds have been duly authorized, issued and sold by the Authority and constitute legal and valid limited obligations of the Authority enforceable against the Authority in accordance with their terms. The Bonds are entitled to the benefits and the security, and are subject only to the terms and conditions, set forth in the Authority Resolution, the Indenture, the 1988 Trust Agreement and Supplemental Agreement No. 27.

(6) Interest on the Bonds (including accrued original issue discount) is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions. The opinion set forth in the preceding sentence is

subject to the condition that the Authority complies with all applicable federal income tax law requirements that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon continues to be excluded from gross income for purposes of federal income taxation. Failure to comply with certain of such requirements could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. The Authority has covenanted to comply with all such requirements. Interest on the 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 individual and corporate alternative minimum taxes; however, we call to your attention that under the Code, to the extent that interest on the Bonds is a component of a corporate holder's "adjusted current earnings," a portion of that interest may be subject to the corporate alternative minimum tax. We express no opinion regarding other federal tax consequences relating to the Bonds or the receipt of interest thereon.

(7) Under the laws of the State of Delaware as presently enacted and construed, interest on the Bonds is exempt from personal and corporate income taxes imposed by the State of Delaware.

The foregoing opinions relating to the enforceability against the Authority of the Authority Resolution, the Indenture, the Bonds, the 1988 Trust Agreement and Supplemental Agreement No. 27 are qualified to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

SAUL EWING LLP

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