NEW ISSUE – BOOK ENTRY ONLY **Ratings: S&P: "AA+"**
Moody's: "Aa1"

In the opinion of Bond Counsel, interest on the 2022 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 2022 Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. In addition, under existing statutes, interest on the 2022 Bonds is exempt from personal and corporate income taxes imposed by the State of Delaware. For a more complete discussion, see "TAX MATTERS" herein.

DELAWARE TRANSPORTATION AUTHORITY
$223,120,000
Transportation System Senior Revenue Bonds, Series 2022

Dated: Date of Issuance **Due: July 1, as shown below**

The Delaware Transportation Authority's (the "Authority") $223,120,000 Transportation System Senior Revenue Bonds, Series 2022 (the "2022 Bonds" or "Bonds") will be issued in book-entry only form. Beneficial owners of 2022 Bonds will not receive physical delivery of Bond certificates. Interest will be payable semi-annually on each January 1 and July 1 commencing January 1, 2023 until maturity or earlier redemption. The Bonds will bear interest at the rates shown below, calculated on the basis of a year of 360 days consisting of twelve 30-day months. Principal and interest payments on the 2022 Bonds are to be made to The Depository Trust Company ("DTC") or its nominee as record owner of the 2022 Bonds.

The 2022 Bonds maturing on and after July 1, 2033 are subject to optional redemption prior to maturity, at the option of the Authority, in whole or in part at any time on or after July 1, 2032, in any order of maturity selected by the Authority (and within a maturity and interest rate by lot), at a redemption price equal to 100% of the principal amount of the 2022 Bonds to be redeemed plus interest accrued and unpaid to the redemption date.

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES

Due (July 1)	Principal Amount ($)	Interest Rate (%)	Price	Yield (%)	CUSIP (246428)	Due (July 1)	Principal Amount ($)	Interest Rate (%)	Price	Yield (%)	CUSIP (246428)
2023	20,560,000	5.000	102.296	2.20	L61	2033	9,485,000	5.000	119.266*	2.75*	M86
2024	24,415,000	5.000	104.945	2.23	L79	2034	9,960,000	5.000	118.038*	2.88*	M94
2025	6,420,000	5.000	107.533	2.24	L87	2035	10,460,000	5.000	117.104*	2.98*	N28
2026	6,740,000	5.000	110.004	2.26	L95	2036	10,980,000	5.000	116.732*	3.02*	N36
2027	7,080,000	5.000	112.280	2.30	M29	2037	11,530,000	4.000	104.125*	3.50*	N44
2028	7,435,000	5.000	114.539	2.32	M37	2038	11,990,000	3.500	98.559	3.62	N51
2029	7,805,000	5.000	116.293	2.40	M45	2039	12,410,000	3.625	99.434	3.67	N69
2030	8,195,000	5.000	117.915	2.47	M52	2040	12,860,000	3.625	98.766	3.72	N77
2031	8,605,000	5.000	119.177	2.56	M60	2041	13,330,000	3.750	99.594	3.78	N85
2032	9,035,000	5.000	120.510	2.62	M78	2042	13,825,000	3.750	98.891	3.83	N93

* Priced/Yield to the first optional redemption date of July 1, 2032

The 2022 Bonds are limited obligations of the Authority, payable solely from and secured by a pledge and assignment of Pledged Revenue (as defined hereafter). See "SECURITY FOR THE BONDS." The 2022 Bonds are secured on a parity with other Transportation System Senior Revenue Bonds which have been issued by the Authority and remain outstanding. The Authority may issue additional bonds which are secured on a parity with all such Senior Bonds. THE 2022 BONDS DO NOT CONSTITUTE A DEBT OF THE STATE OF DELAWARE OR OF ANY POLITICAL SUBDIVISION, AGENCY OR INSTRUMENTALITY THEREOF, OTHER THAN THE AUTHORITY, OR A PLEDGE OF THE GENERAL TAXING POWER OR THE FAITH AND CREDIT OF THE STATE OF DELAWARE OR ANY SUCH POLITICAL SUBDIVISION, AGENCY OR INSTRUMENTALITY.

The Inflation Reduction Act, H.R. 5376 (the "IRA") was signed into law by President Biden on August 16, 2022. The underscored insertions in the banner at the top of this page and on pages 63, 65, and Appendix C result from the changes made by the IRA.

The 2022 Bonds are offered when, as and if issued and received by the Underwriter (as defined hereafter), subject to the issuance of a legal opinion as to validity by Saul Ewing Arnstein & Lehr LLP, Wilmington, Delaware, Bond Counsel to the Authority, and certain other conditions. It is anticipated that the 2022 Bonds will be available for delivery through the book-entry facilities of DTC on or about September 1, 2022.

Dated August 23, 2022

No dealer, salesman or any other person has been authorized by the Delaware Transportation Authority (the "Authority") or the Underwriter of the 2022 Bonds (the "Underwriter") to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority or the Underwriter.

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 2022 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 2022 Bonds. Neither the delivery of this Official Statement nor the sale of any of the 2022 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 Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2022 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 UNDERWRITER MAY OFFER AND SELL THE 2022 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 UNDERWRITER.

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
Delaware Transportation Authority

$223,120,000
Transportation System Senior Revenue Bonds, Series 2022

INTRODUCTION

This Official Statement (including the cover page, graphs and the appendices hereto, the "Official Statement") sets forth information in connection with the issuance of $223,120,000 aggregate principal amount of Transportation System Senior Revenue Bonds, Series 2022 (the "2022 Bonds") by the Delaware Transportation Authority (the "Authority"), a body corporate and politic constituting a public instrumentality of The State of Delaware (the "State"). The 2022 Bonds, together with the Authority's other Transportation System Senior Revenue Bonds which have been or may be issued in the future on a parity with the 2022 Bonds, and remain outstanding from time to time, are herein referred to collectively as the "Senior Bonds." The Authority also has the power to issue Transportation System Junior Revenue Bonds (the "Junior Bonds") and subordinated indebtedness ("Subordinate Indebtedness"). As hereinafter more fully described, the Junior Bonds would have a lien on the Pledged Revenue, subordinate to the lien of the Senior Bonds, and Subordinate Indebtedness would have a lien on the Pledged Revenue, subordinate to the lien of the Senior Bonds and the Junior Bonds. There are no Junior Bonds outstanding. In December 2015, the Authority issued its Sr. 301 Bonds (as defined herein) in an aggregate principal amount of $212,535,000 and its TIFIA 301 Bond (as defined herein) in a principal amount up to $211,350,000. Both the Sr. 301 Bonds and the TIFIA 301 Bond are Subordinate Indebtedness under the Agreement (as defined herein). See "TRANSPORTATION CAPITAL PROJECTS AND FINANCING PLANS – U.S. 301 Project."

The 2022 Bonds are being issued 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") and a Trust Agreement, dated as of August 1, 1988, by and between the Authority and Wilmington Trust Company, Wilmington, Delaware, as trustee (the "Trustee"), as supplemented and amended (the Trust Agreement as so supplemented and amended is hereinafter referred to as the "Agreement").

This Official Statement contains, among other topics, a description of the current Capital Transportation Program and the sources of funding therefor; the security for the 2022 Bonds; the terms of the 2022 Bonds; and the powers, responsibilities, membership and projected operations of the Authority and the Delaware Department of Transportation (referred to herein as either the "Department" or "DelDOT").

Capitalized words and terms used in this Official Statement and not defined herein, if defined in the Agreement, shall have the same meanings herein as are ascribed to such words and terms in the Agreement. See APPENDIX A, "Definitions." References herein to the Agreement, the Act and the Bonds do not purport to be complete. Copies of the Agreement are available upon request to the Authority.

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 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 "THE 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. The Authority also owns U.S. 301 toll road, which consists of a 14-mile long, access controlled toll highway with two lanes in each direction, that connects 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. See "THE TRANSPORTATION TRUST FUND," "SOURCES OF REVENUE FOR THE TRUST FUND - Toll Revenue," and "TRANSPORTATION CAPITAL PROJECTS AND FINANCING PLANS – U.S. 301 Project."

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:

NICOLE MAJESKI was sworn in as the 11th Secretary of the Delaware Department of Transportation on January 13, 2021. As Secretary, Secretary Majeski leads an organization responsible for 90% of the state's transportation network, including the Division of Motor Vehicles and the Delaware Transit Corporation. Oversees the development and implementation of a six-year capital program of over $4 billion and ensures compliance with U.S. Department of Transportation. In addition, she works with the state's counties, municipalities and towns to coordinate land use planning and transportation infrastructure needs throughout the state. With an annual budget of nearly $1 billion and a dedicated workforce of over 2,500 employees, Secretary Majeski oversees one of the largest departments in state government. As Secretary, Secretary Majeski represents Delaware as a member of the Eastern Transportation Coalition, the Northeast Corridor Commission, the American Association of State Highway and Transportation Officials and the Northeast Association of State Transportation Officials. Prior to becoming Secretary, Secretary

Majeski served as Deputy Secretary of DelDOT where she assisted in overseeing daily operations, managed policy and legislative initiatives, constituent relations, employee development and the audit section. Before joining the state, Secretary Majeski worked for New Castle County Government for seven years, serving as chief of staff to then County Executive Chris Coons. She is a graduate of the University of Delaware and a Council of State Government Toll Fellow.

SHANTE HASTINGS was named Deputy Secretary, Chief Engineer and Director of Transportation Solutions for the Department in February of 2021. Ms. Hastings has been with the Department since 2000 and is responsible for implementation of the Department's $650 million annual Capital Transportation Program delivered by her team of 450 staff statewide. In 2013, Ms. Hastings was awarded the Young Engineer of the Year Award by the Delaware Engineering Society in recognition of her work in the field of engineering and community service. Ms. Hastings currently serves on the boards for Leadership Delaware, the Delaware State Fair and the Joshua M. Freeman Foundation. Ms. Hastings is a Past President of the University of Delaware Alumni Association and currently serves as the Vice President of the University of Delaware Kent and Sussex Counties Alumni Club. Ms. Hastings is a proud member of Sigma Kappa Sorority and has stayed active as a chapter advisor. Ms. Hastings holds a Bachelor of Civil Engineering from the University of Delaware and is a registered Professional Engineer in the State.

LANIE CLYMER was named Director of Finance for the Department in February, 2017. Ms. Clymer joined the Department in August of 2007 and had previously served as the Assistant Director of Finance overseeing the development and implementation of both the Operating and Capital budgets for the Department with an annual budget of $1 Billion dollars, and is the key financial liaison for the Regulatory Agencies (Federal Highway Administration and Federal Transit Administration). Ms. Clymer has 20 years of financial management experience in both the private and public sectors, working with, and advising executive leadership on accounting, finance planning, and strategy to meet the mission and objectives of the organization. She has expert knowledge of Federal DOT Apportionments and Appropriations for both the Federal Highway Administration and the Federal Transit Administration, and the full utilization of the funding to meet key department objectives. Ms. Clymer holds a Bachelor of Science degree in Accounting and a Master's in Business Administration from the Wilmington University.

DAWN HAW-YOUNG, Assistant Director of Finance and Transportation Trust Fund Administrator and Policy Advisor, joined the Department in May, 2021 and has previously served in roles such as Delaware's Chief Administrative Auditor overseeing statewide audit engagements, Assistant Director for the Division of Accounting overseeing the compilation of Delaware's Financial Statements, Statewide Single Audit, and Monthly Finance Report, and as the Department's Assistant Director of Finance over the compliance and payroll for Department. Ms. Haw-Young holds her Delaware Certified Public Accountant (CPA), Certified Fraud Examiner (CFE), and Certified Government Financial Manager (CGFM) certifications. Ms. Haw-Young holds a Bachelor of Science degree in Accounting and a Master's in Accounting from the Wilmington University.

JANA SIMPLER joined the Department of Transportation as the Director of the Division of Motor Vehicles in September 2018. Prior to serving as the DMV Director, Jana served as the Director of the Office of Highway Safety of the Department of Safety and Homeland Security for eight years. She joined that office in 1997, was promoted to the Deputy Director position in 2000, and served a variety of roles prior to being named Director in 2010. As Director of DMV, Jana is responsible for the direction, management, and administration of the operations and programs of the Division of Motor Vehicles and Toll Operations in accordance with Federal and state laws, rules, and regulations. She is responsible for a staff of over 600 employees statewide and is dedicated to providing excellent customer service and implementing innovative initiatives to ensure customer's needs are met. Jana received her Master of Science in Public Administration from Wilmington University in 1997 and her Bachelor of Science in Criminal Justice from the University of Delaware in 1993.

Role of the State

General

The annual budgets for capital and operating expenditures of the Department (including the Authority) are subject to review and approval by the State. The Act provides that if the Authority's proposed annual operating budget is not approved by July 1 for the year the budget is submitted, the budget as submitted is deemed to have been adopted by the Authority until such time as the annual budget is approved by the State. The Act also provides that any obligations incurred by the Authority after July 1 pursuant to an annual operating budget so adopted by the Authority and prior to its approval by the State are binding, even if the annual operating budget is subsequently revised by the State.

The Act provides that, in approving the annual operating budget of the Authority, the State (1) may not approve an amount for debt service or for debt service reserve purposes which is less than the amount required to be provided pursuant to any resolution or trust indenture of the Authority pursuant to which any bonds are issued and (2) may not approve an amount for operating expenses of the Delaware Turnpike that is less than the amount incurred for the preceding fiscal year of the Authority plus an inflation factor based on the U.S. Consumer Price Index, unless the Authority requests a lesser amount. Although the State has the right to approve the Authority's annual budget, THE GENERAL ASSEMBLY DOES NOT HAVE TO APPROVE THE TOLLS AND OTHER CHARGES THE AUTHORITY IMPOSES FOR USE OF THE DELAWARE TURNPIKE, THE ROUTE 1 TOLL ROAD OR THE U.S. 301 TOLL ROAD.

Bi-annually, the Department revises a six-year Capital Transportation Program for the State's transportation system. The first year of the Capital Transportation Program is reflected in the Department's annual capital budget (which includes Delaware Transit Corporation's annual capital budget) and is submitted to the State for review and approval. This annual capital budget represents the Department's work program. The Authority cannot undertake, or commit to, capital projects in excess of the amounts specifically authorized by the State. See "TRANSPORTATION CAPITAL PROJECTS AND FINANCING PLANS - Capital Transportation Program."

The issuance of Authority debt obligations is subject to (i) approval by the State's Bond Issuing Officers and (ii) one provision of the State's statutory debt limitations designed to control total indebtedness of the State and the Authority. The applicable debt limitation (the "15% Test") states that no "tax-supported debt obligation" of the State and no "Transportation Trust Fund debt obligation" of the Authority may be incurred if the aggregate maximum annual payments on all such outstanding obligations (plus certain lease obligations) will exceed 15% of the estimated aggregate General Fund revenue from all sources, plus Transportation Trust Fund revenue. Estimated revenue figures are for the fiscal year following the fiscal year in which such obligation is incurred, as determined by the most recent projections made by the Delaware Economic and Financial Advisory Council. Such estimated revenue figures are adjusted, if appropriate, by the fiscal impact of subsequently enacted legislation as certified by the Secretary of Finance. After the issuance of the 2022 Bonds, the applicable debt service under the 15% Test is approximately 5.8% of the applicable revenue in fiscal 2024. The State and the Authority expect that the Bonds projected to be issued in the current Capital Transportation Program can be issued within the limits of the 15% Test.

Delaware Economic and Financial Advisory Council

Delaware Economic and Financial Advisory Council ("DEFAC"), created in 1977, is comprised currently of 31 members appointed by the Governor. DEFAC was established by Executive Order to provide to the General Assembly General Fund revenue forecasts and Transportation Trust Fund revenue forecasts five times each fiscal year in October, December, March, 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 31. A seven-year forecast is generated for the Transportation Trust Fund. General Fund and Transportation Trust Fund expenditure forecasts are generated for the current fiscal year in October, December, March, 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.

Cash Management Policy Board

The Cash Management Policy Board was created by State law to establish policies for and the terms, conditions and other matters relating to, the investment of all money belonging to the State (except money in any State pension fund and money held for individuals under the State deferred compensation program). The Authority has independent statutory authority to invest funds in the Transportation Trust Fund and voluntarily adheres to the Board's formal investment guidelines with respect to such investments. The Board is composed of nine members including the Secretary of Finance, the Secretary of State, the State Treasurer, the Controller General (serving ex officio), and five members from the private sector appointed by the Governor and confirmed by the State Senate.

THE TRANSPORTATION TRUST FUND

General

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 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.

In addition, the Trust Fund has assumed the responsibility for 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.

Initial Funding

The TTF was initially funded in fiscal 1988 (period through June 30, 1988) with existing cash balances of $22.5 million, a special one-time appropriation from the 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 $558.1 million in fiscal 2021 (of which $491.8 million is derived from Pledged Revenue). For the fiscal year ending June 30, 2022, revenues are estimated to reach $619.7 million (of which $525.1 million is anticipated from Pledged Revenue).

Summary of Revenue Dedicated to the Trust Fund

The following table and chart summarizes the revenue which is currently dedicated to the Trust Fund and identify that revenue which is pledged to secure the Bonds:

	Fiscal 2022 (in $ millions)[(4)]		Percentage of Total Fiscal 2022 Pledged Revenue
Pledged to the Bonds:			
Motor Fuel Taxes	$133.8		25.5%
Delaware Turnpike Toll/Concession	143.8		27.4
Motor Vehicle Document Fees	146.2		27.8
Motor Vehicle Registration Fees	57.4	(1)	10.9
Miscellaneous Transportation Revenue	42.6	(2)	8.1
Investment Earnings	1.3		0.3
Total Pledged Revenue	$525.1		100.0%
Not Pledged to the Bonds:			
Route 1 Toll Road Revenue	62.6		
U.S. 301 Toll Revenue	22.0		
Non-pledged Miscellaneous Revenue	10.0	(3)	
Total Non-Pledged Revenue	94.6		
Total TTF Revenues	$619.7		

(1) Net of refunds to other states under the International Registration Plan ($0 million).
(2) Net refunds to other jurisdictions under the International Motor Fuel Tax Agreement ($0.06 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.
(4) Unaudited.

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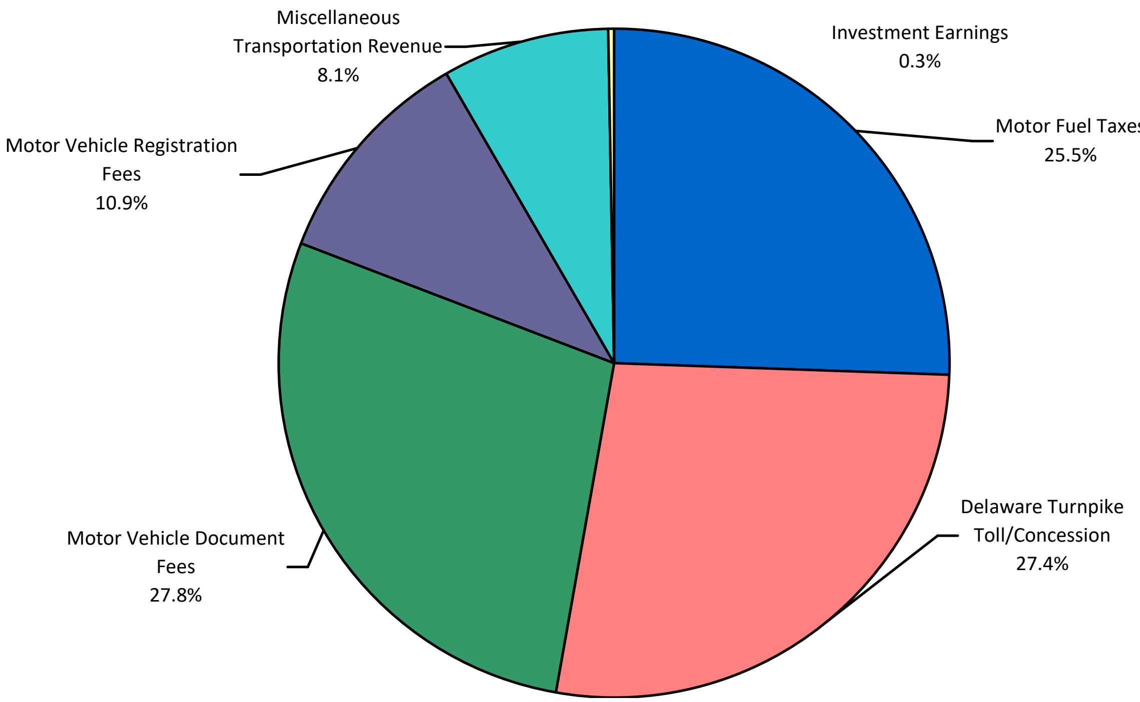
Sources of Pledged Revenue
Transportation Trust Fund - Fiscal 2022



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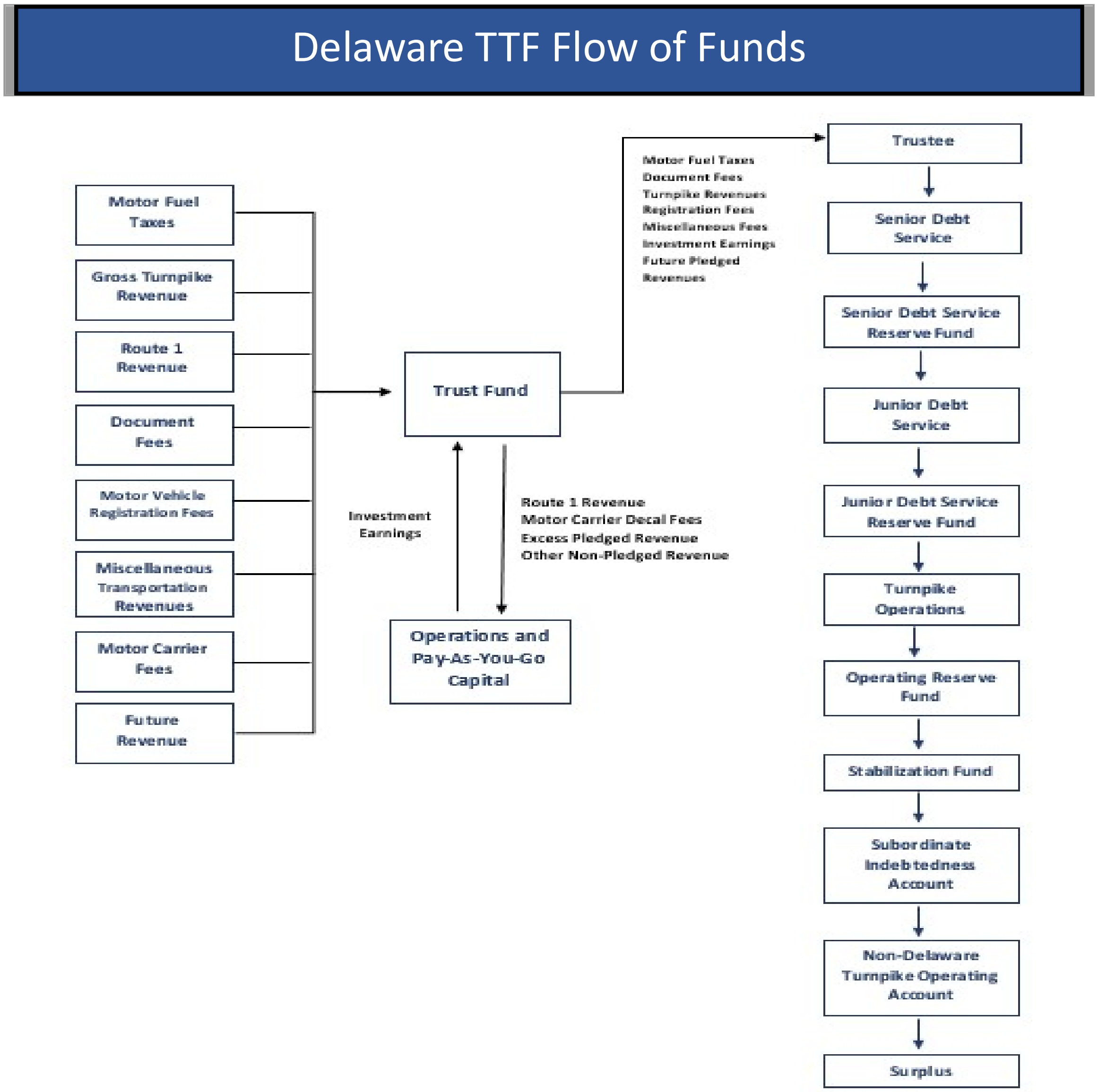
Uses of Funds in the Transportation Trust Fund

Funds in the TTF are applied to meet the funding requirements of the Agreement including debt service on the Bonds, operating expenses of the Authority and the Department, debt service on existing State general obligation bonds issued for transportation projects and the costs of capital projects of the Authority and the Department.

The flow of funds to the TTF and under the Agreement is summarized in the following diagram:



See "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE AGREEMENT – Flow of Funds" for a discussion regarding the payment of the Sr. 301 Bonds and the TIFIA 301 Bond from the Subordinate Indebtedness Account in the event of any deficiency in certain funds and accounts under the Master Indenture (defined herein).

Sources and Uses of Funds of TTF for Fiscal Years 2018, 2019, 2020, 2021 and 2022

The following summary of the results of the Sources and Uses of Funds are for fiscal years ended June 30, 2018, 2019, 2020, 2021 and 2022. The summary reflects the flow of funds required by the Agreement as illustrated in the Flow of Funds diagram above.

Summary Results for the Fiscal Years Ended

SOURCES OF FUNDS ($000)	2018	2019	2020	2021	2022[5]
I-95 Tolls & Concessions [1]	135,048	134,922	116,165	121,586	143,797
Motor Fuel Tax Admin.[2]	132,894	144,682	138,743	127,196	136,686
DMV Fees	211,135	218,733	206,794	242,993	243,242
Interest Income	6,784	5,524	5,910	641	1,336
Total Pledged Revenue	**485,861**	**503,861**	**467,612**	**492,416**	**525,061**
Non-Pledged Revenues					
SR 1 Tolls	61,975	62,485	54,211	55,027	62,620
DE Transit (Farebox, FTA, & Other)	26,838	27,102	16,319	10,551	13,818
Port of Wilmington - Refinancing	814	-	-	-	-
Build America Bond Subsidy	606	1,199	581	879	-
Other Miscellaneous Revenue	12,470	13,660	24,840	35,790	9,560
Special Fund Transfers	(6,594)	(7,014)	-	-	(6,900)
Total Non-Pledged Revenue	**96,109**	**97,432**	**95,951**	**102,247**	**79,098**
Total Revenue	**581,970**	**601,293**	**563,563**	**594,663**	**604,159**
DSR Release	-	16,139	21,978	-	-
Bond Proceeds	-	-	160,000	225,000	-
TOTAL SOURCES	**581,970**	**617,432**	**745,541**	**819,663**	**604,159**
USES OF FUNDS ($000)					
Debt Service					
Senior Bonds [3]	96,795	94,489	94,038	93,609	89,391
CRRSSA Funding	-	-	-	-	(28,940)
Total Debt Service	**96,795**	**94,489**	**94,038**	**93,609**	**60,451**
Operations					
Department Operations	155,700	160,210	165,927	172,738	175,322
Delaware Transit Corp. Operations	116,600	120,284	111,123	118,321	121,963
Delaware Transit Corp. Operations – Federal Funding for Operations	-	-	-	(61,172)	(28,341)
Total Operations	**272,300**	**280,494**	**277,050**	**229,887**	**268,944**
State Capital Spending	**233,936**	**312,206**	**390,209**	**370,222**	**300,098**
TOTAL USES	**603,031**	**687,189**	**761,297**	**693,718**	**629,493**
Additional Senior Bonds Test	4.95	5.27	4.91	5.25	5.87 [4]

(1) Includes toll, concession and other revenue on the Delaware Turnpike.
(2) Includes motor carrier fees.
(3) Based on the assumption that July 1 payments are made on the previous June 30.
(4) Calculation of Additional Senior Bonds Test for fiscal year ended 2022 does not include CRRSSA Funding.
(5) Unaudited.

Constitutional Amendment

On May 18, 2019, the Delaware House of Representatives adopted legislation which amended the Delaware Constitution by adding Section 12 to Article VIII (the "Constitutional Amendment") which reads as follows:

§ 12. The Transportation Trust Fund; use and restrictions.

(a) The State irrevocably pledges and assigns and continuously appropriates the proceeds derived from a motor vehicle registration fee, a motor vehicle document fee, a motor fuel tax, a motor carrier road use tax and registration fee, and the operation of the Delaware Turnpike to a special fund known as the Transportation Trust Fund.

(b) The moneys in the Transportation Trust Fund may be appropriated and used for the following purposes:

(1) Capital expenditures on the public transportation system, including the road system, grants and allocations for investments in transportation, the transit system and the support systems for public transportation.

(2) Payment of the interest and principal on all indebtedness incurred before or after the effective date of this Act, including the payment of all other obligations incurred pursuant to any trust agreement related to such indebtedness, and secured by moneys in the Transportation Trust Fund.

(3) Other transportation-related purposes, including operating expenses, to which moneys in the Transportation Trust Fund are authorized on the effective date of this Act.

(c) No moneys in the Transportation Trust Fund may be appropriated for a purpose not listed in subsection (b) of this section except by an act of the General Assembly adopted with the concurrence of three-fourths of all members of each House and separate from an annual budget act, bond and capital improvement act, or grants-in-aid act.

(d) If moneys in the Transportation Trust Fund cease to be appropriated for a purpose under paragraph (b)(3) of this section, the moneys may not again be appropriated for a purpose under paragraph (b)(3) of this section except by an act of the General Assembly adopted with the concurrence of three-fourths of all members of each House and separate from an annual budget act, bond and capital improvement act, or grants-in-aid act.

The Constitutional Amendment creates a "lock box" on the TTF that limits the ability of the General Assembly to appropriate TTF funds to a purpose other than those described in Section 12(b)(1)-(3) of the Constitutional Amendment except by an act of the General Assembly adopted with the concurrence of three-fourths of all members of each House and separate from an annual budget act, bond and capital improvement act, or grants-in-aid act.

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PLAN OF FINANCE

Refunding Program

The Authority will use a portion of the proceeds of the 2022 Bonds to provide for the current refunding of the Senior Bonds identified below (the "Refunded Bonds"). The Refunded Bonds are being refunded for debt service savings.

Senior Bonds Being Refunded

Series	Maturities (July 1)	Principal Amount	Redemption Price
2012			
	2023	$ 24,800,000	100%
	2024	19,350,000	100%

In order to provide for the refunding of the Refunded Bonds, the Authority will use a portion of the proceeds of the 2022 Bonds, together with certain other available moneys, to purchase United States Treasury Obligations, State and Local Government Series, or other direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States Government (the "Government Securities"), the principal of which together with interest payable thereon will be sufficient to pay the redemption price of the Refunded Bonds on the redemption date (October 3, 2022). Neither the maturing principal of the Government Securities nor the interest thereon will secure or be available for the payment of principal of, interest or redemption premium, if any, on any obligations of the Authority other than the Refunded Bonds.

The Government Securities are to be held in a trust fund (the "Escrow Fund") by Wilmington Trust Company, as escrow agent (the "Escrow Agent") pursuant to an Escrow Deposit Agreement expected to be dated August 23, 2022 (the "Escrow Agreement") between the Authority and the Escrow Agent for the benefit of the Refunded Bonds.

Capital Projects

The Authority will use a portion of the proceeds of the 2022 Bonds to finance certain Capital Projects included in the Authority's Capital Transportation Program for fiscal years 2023 through 2026. See "TRANSPORTATION CAPITAL PROJECTS AND FINANCING PLANS."

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SOURCES AND USES OF FUNDS

The following table summarizes the estimated sources and uses of money which the Authority estimates will be available to pay the costs of Capital Projects, to refund the Refunded Bonds, and to pay costs of issuance of the 2022 Bonds.

SOURCES OF FUNDS	
Principal amount of 2022 Bonds	$ 223,120,000.00
Net Original Issue Premium	18,147,409.90
Other Sources of Funds	4,436,750.00
Total	$245,704,159.90
USES OF FUNDS	
Capital Projects	$ 200,000,000.00
Escrow Deposit for Refunded Bonds	44,527,794.61
Deposit to Debt Service Reserve Fund	530,000.00
Financing and Other Expenses	
Underwriting discount	155,879.89
Other financing expenses	490,485.40
Total	$245,704,159.90

DESCRIPTION OF THE 2022 BONDS

The 2022 Bonds are to be issued in the total aggregate principal amount of $223,120,000. The 2022 Bonds are dated and bear interest from their date of delivery payable commencing January 1, 2023, and thereafter semi-annually on each January 1 and July 1 (each an "Interest Payment Date") at the rate or rates per annum and shall mature, all as set forth on the cover page of this Official Statement.

The 2022 Bonds will be payable as to principal upon presentation and surrender thereof to the Trustee at the principal office of Wilmington Trust Company, Wilmington, Delaware. The 2022 Bonds will be issued as fully registered bonds, and when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company ("DTC"). Purchases of beneficial interests in the 2022 Bonds will be made in book-entry form (without certificates) in the denomination of $1,000 or any whole multiple thereof. Under certain limited circumstances described herein, the Authority may determine to forego immobilization of the 2022 Bonds at DTC, or another securities depository, in which case, such beneficial interests are expected to become exchangeable for one or more fully registered bonds of like principal, series, maturity and interest rate in the denomination of $1,000 or any whole multiple thereof.

Principal of and premium, if any, and interest on the 2022 Bonds will be paid by the Trustee. Principal is payable upon presentation of the 2022 Bonds by the holders thereof as the 2022 Bonds become due and payable. Except as otherwise provided in the Agreement, interest on the 2022 Bonds will be payable on each Interest Payment Date by the Trustee by check mailed on the date on which interest is due to the holders of the 2022 Bonds at the close of business on the Record Date (as described below) in respect of such Interest Payment Date to the registered addresses of such holders as they appear on the registration books maintained by the Trustee. The Record Date with respect to any Interest Payment Date for the 2022 Bonds is the fifteenth (15th) day (whether or not a business day) of the calendar month immediately preceding such Interest Payment Date. Notwithstanding the foregoing, so long as DTC or its nominee, Cede & Co., is the registered owner of the 2022 Bonds, payments of the principal of and interest on the 2022 Bonds are to be made by the Trustee directly to Cede & Co. Distribution of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to owners of beneficial interests in the 2022 Bonds is the responsibility of the DTC participants. See "BOOK-ENTRY ONLY SYSTEM."

Redemption

Optional Redemption

The 2022 Bonds maturing on or after July 1, 2033 are subject to redemption, at the option of the Authority, in whole or in part at any time on or after July 1, 2032, in any order of maturity selected by the Authority (and within a maturity and interest rate by lot), at a redemption price equal to 100% of the principal amount of the 2022 Bonds to be redeemed plus interest accrued and unpaid to the redemption date.

Notice of Redemption

The Agreement provides that at least 30 days but not more than 60 days before the redemption date of any of the 2022 Bonds, the Trustee shall mail notice of such redemption to all owners of 2022 Bonds or portions thereof to be redeemed at their addresses as they appear on the registration books held by the Trustee. Each such notice will set forth the 2022 Bonds or portions thereof to be redeemed, the date for such redemption, the redemption price to be paid, and if less than all of the 2022 Bonds within a maturity and interest rate will be called for redemption, the maturities and interest rates of such 2022 Bonds to be redeemed. So long as DTC is the registered owner of the 2022 Bonds, this notice is required to be mailed by the Trustee to DTC only. Any failure of DTC to mail such notice to any participant will not affect the validity of the redemption of the 2022 Bonds.

Any notice of redemption of the 2022 Bonds may state that it is conditioned upon there being available on the redemption date an amount of money sufficient to pay the redemption price, consisting of par and the applicable redemption premium, if any, plus interest accrued and unpaid to the redemption date (the "Redemption Price"), and any conditional notice so given may be rescinded at any time to and including the redemption date if such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds on deposit with the Trustee to pay the Redemption Price, the corresponding notice of redemption will be deemed to have been revoked.

SECURITY FOR THE BONDS

Pledge and Assignment of Revenue and Funds

The Bonds are limited obligations of the Authority payable solely from and secured by a pledge and assignment of motor fuel tax revenue, motor vehicle document fees, motor vehicle registration fees, certain miscellaneous transportation related fees ("Pledged Miscellaneous Transportation Revenue"), revenue of the Delaware Turnpike, certain funds held by the Trustee under the Agreement and investment earnings on all funds of the Authority, all as more fully described below (the "Pledged Revenue").

Tax and Fee Revenue

The State has pledged and assigned to the TTF, for the use of the Authority, (i) all motor fuel tax revenue imposed and collected by the State, (ii) all motor vehicle document fees imposed and collected by the State, (iii) all motor vehicle registration fees imposed and collected by the State, (iv) the Pledged Miscellaneous Transportation Revenue plus certain other miscellaneous transportation revenue and reimbursement which have not been pledged as security for the Bonds and (v) certain escheat revenues, which escheat revenues have not been pledged as security for the Bonds. In the Agreement the Authority has, in turn, pledged and assigned motor fuel tax revenue, motor vehicle document fees, motor vehicle registration fees, investment earnings and the Pledged Miscellaneous Transportation Revenue to secure the Bonds. The Pledged Miscellaneous Transportation Revenue and the Non-Pledged Miscellaneous Transportation Revenue (hereinafter defined) are hereafter collectively referred to as the "Miscellaneous Transportation Revenue".

The State has covenanted in the Act that it will not repeal or reduce the motor fuel taxes, the motor vehicle document fees, the motor vehicle registration fees or the fees constituting Pledged Miscellaneous Transportation Revenue, which are pledged to secure the Bonds, below the levels in effect on the date of issuance of the 2022 Bonds until such Bonds are paid or provision for their payment is made. The State, however, has not authorized nor does it have any obligation to increase the rates of those taxes or fees to generate revenue to meet debt service on the 2022 Bonds. The above covenant does not apply to the Non-Pledged Miscellaneous Transportation Revenue, or other non-pledged revenue.

Delaware Turnpike Revenue

All revenue received by the Authority from the operation of the Delaware Turnpike (including toll and concession revenue) is pledged by the Authority in the Agreement to secure the Bonds.

The Authority covenants in the Agreement 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 and that it will not reduce the tolls on the Delaware Turnpike below the level in effect on the date of issuance of the 2022 Bonds, except as provided in the Agreement. The Authority may increase tolls, reduce tolls and make certain other adjustments or reclassifications of toll rates or establish special toll rates for the Delaware Turnpike as provided in the Agreement.

Bond Proceeds

All proceeds of Bonds which are deposited in the Capital Fund under the Agreement to be applied to pay for improvements to the State's transportation system are pledged by the Authority in the Agreement to secure the Bonds.

Debt Service Fund; Stabilization Fund

Under the Agreement there is established a Debt Service Fund and within that fund there is a separate Principal and Interest Account, and Redemption Account, for the Senior Bonds and the Junior Bonds. All funds held by the Trustee in such Senior Bonds accounts are pledged to secure only the Senior Bonds, and all funds held by the Trustee in such Junior Bonds accounts are pledged to secure only the Junior Bonds, all as hereinafter more fully described. See "SECURITY FOR THE BONDS - Flow of Funds" and APPENDIX A, "Flow of Funds" and "Events of Default and Remedies; Respective Rights of Senior and Junior Bondholders." All funds held by the Trustee in the Debt Service Stabilization Fund (the "Stabilization Fund") are also pledged to secure the Bonds. The Authority is required to fund the Stabilization Fund (in such amount as the Authority determines at the time of the funding of the Stabilization Fund) if it determines that Test Revenue (hereinafter defined) based on the applicable historical test for issuing additional Bonds (hereinafter described) is less than 3.5 times the maximum Principal and Interest Requirements on Senior Bonds, including any Senior Bonds proposed to be issued. In the event sufficient funds are not otherwise available in the Debt Service Fund when required to pay debt service, the Trustee is required to draw upon the Stabilization Fund to pay debt service, first on the Senior Bonds and next on the Junior Bonds. See APPENDIX A, "Flow of Funds."

Debt Service Reserve Fund

Under the Agreement there is established a Debt Service Reserve Fund and within that fund there is a separate Debt Service Reserve Account for the Senior Bonds and the Junior Bonds. All funds held by the Trustee in the Debt Service Reserve Fund are pledged to secure the Senior Bonds and the Junior Bonds, as the case may be, as hereinafter more fully described. If there are insufficient funds otherwise available in the Senior Bonds or Junior Bonds debt service account, or in the Stabilization Fund, as applicable, when required to pay debt service on the Bonds, the Trustee is required to draw on the applicable Debt Service

Reserve Account to make up the deficiency. The Authority is required to maintain funds in the Debt Service Reserve Fund at least equal to the Senior and Junior Bonds Debt Service Reserve Account Requirements.

The Debt Service Reserve Account Requirements with respect to the Senior and Junior Bonds are one half of the maximum Principal and Interest Requirements with respect to Senior and Junior Bonds, respectively. The Senior Bonds Debt Service Reserve Account Requirement is subject to increase as described below.

Two months prior to each July 1 (as of a date during such two-month period), the Authority must prepare the certificate required to be prepared in connection with the issuance of additional Bonds. In the event that the certificate shows that Test Revenues do not cover maximum Principal and Interest Requirements of the Senior Bonds Outstanding by 2.00 times, then the Authority will file the certificate with the Trustee and (i) the Senior Bonds Debt Service Reserve Account Requirement shall become an amount equal to the maximum Principal and Interest Requirements on Senior Bonds Outstanding and (ii) the Authority shall commence to make deposits to the Senior Bonds Debt Service Reserve Account on at least an equal monthly basis to fund fully the Senior Bonds Debt Service Reserve Account Requirement on or by the second anniversary of the date of calculation. On any subsequent July 1, if such coverage exceeds 2.25 times, the Senior Bonds Debt Service Reserve Account Requirement may be reduced to an amount equal to one-half maximum Principal and Interest Requirements on Senior Bonds Outstanding, subject to increase as provided above.

Two months prior to each October 1 (as of a date during such two-month period) unless the Authority has filed with the Trustee the certificate described above during the two-month period prior to the next preceding July 1, the Authority shall prepare such certificate. In the event that the certificate shows that Test Revenues do not cover maximum Principal and Interest Requirements of the Senior Bonds Outstanding by 2.00 times, then the Authority will file the certificate with the Trustee and (i) the Senior Bonds Debt Service Reserve Account Requirement shall become an amount equal to the maximum Principal and Interest Requirements on Senior Bonds Outstanding and (ii) the Authority shall commence to make deposits to the Senior Bonds Debt Service Reserve Account on at least an equal monthly basis to fund fully the Senior Bonds Debt Service Reserve Account Requirement on or by the second anniversary of the date of calculation. On any subsequent July 1, if such coverage exceeds 2.25 times, the Senior Bonds Debt Service Reserve Account Requirement may be reduced to an amount equal to one-half maximum Principal and Interest Requirements on Senior Bonds Outstanding, subject to increase as provided above. The foregoing certificate shall also be filed by the Authority with the Trustee at the time of issuance of additional Bonds.

The Debt Service Reserve Account Requirements may be satisfied by the acquisition of a Credit Facility as provided in the Agreement. See APPENDIX A, "Additional Bonds; Debt Service Reserve Fund."

Investment Earnings

All investment earnings on the Revenue Fund, the Capital Fund, the Debt Service Fund, the Stabilization Fund and the Debt Service Reserve Fund, net of any amounts required to be paid to the Internal Revenue Service in order to preserve the tax-exempt status of the 2022 Bonds, are to be retained in or deposited by the Trustee in the Revenue Fund and are pledged by the Authority in the Agreement to secure the 2022 Bonds. The Authority is also required to cause the investment earnings on all of its other funds not held by the Trustee, including particularly the TTF, to be paid to the Trustee for deposit in the Revenue Fund at least once a year (the "TTF Investment Earnings"). These investment earnings are also pledged by the Authority in the Agreement to secure the Bonds; however, such earnings shall not be treated as Additional Revenue for purposes of satisfying the coverage test which must be met as a condition of issuing additional bonds under the Agreement See "SECURITY FOR THE BONDS - Additional Senior Bonds" and "SECURITY FOR THE BONDS - Additional Junior Bonds."

Non-Pledged Revenue

The Authority has not pledged to secure the Bonds (i) the toll revenue from the Route 1 Toll Road (the "Route 1 Toll Revenue") and (ii) certain other miscellaneous transportation revenue and reimbursements which includes various amounts which may not be transferred in future fiscal years. In fiscal 2018, fiscal 2019, fiscal 2020, fiscal 2021 and fiscal 2022, the General Assembly transferred $5,000,000 in each fiscal year to the TTF based on a task force recommendation to gradually revert Department operations to the State's General Fund. Any future transfer from the General Fund for purposes of supporting Department operations will be reviewed annually, and as such, the Department again emphasizes that future appropriations to the TTF are subject to the discretion of the General Assembly and cannot be considered a reliable source of funds. The revenue described in clause (ii) and (iii) above, together with any escheat revenues or General Fund support for Department operations, are hereinafter sometimes referred to as "Non-Pledged Miscellaneous Transportation Revenues". Certain components of the Non-Pledged Miscellaneous Transportation Revenue are not projected to be recurring in future fiscal years. See "SOURCES OF REVENUE FOR THE TRUST FUND -- Miscellaneous Transportation Revenue - Non-Pledged Miscellaneous Transportation Revenues" for a discussion of revenue sources transferred to the TTF but which have not been pledged by the Authority to secure the Bonds.

Flow of Funds

The State is required to transfer all motor fuel tax revenue, motor vehicle document fees, motor vehicle registration fees and Miscellaneous Transportation Revenue to the TTF from where such revenue is required to be immediately transferred to the Trustee for deposit in the Revenue Fund to the extent that such revenues constitute "Revenues and Receipts of the Authority." The Agreement requires the Authority to collect tolls and other charges, fares, fees, and concessions for use of the Delaware Turnpike and its facilities and to deposit this revenue, upon receipt, in the Revenue Fund. On or before the fifteenth day of each month, the Trustee is required under the Agreement to withdraw all funds from the Revenue Fund on deposit on the tenth day of that month and to deposit these funds in the following order of priority:

(i) to fund debt service and debt service reserve requirements with respect to all Senior Bonds;

(ii) to fund debt service and debt service reserve requirements with respect to all Junior Bonds;

(iii) to pay Operating Expenses of the Delaware Turnpike;

(iv) to make up any deficiency in the Operating Reserve Fund;

(v) to make up any deficiency in the Stabilization Fund;

(vi) to pay debt service requirements with respect to all Subordinate Indebtedness;

(vii) to pay Non-Delaware Turnpike Operating Expenses; and

(viii) the remainder to be transferred to the TTF, free of the lien of the Agreement, subject to an obligation to transfer investment income on the TTF, if any, to the Revenue Fund.

See APPENDIX A, "Flow of Funds" and the flow of funds diagram under "THE TRANSPORTATION TRUST FUND -- Uses of Funds in the Transportation Trust 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.

Credit of the State Not Pledged; Certain Covenants of the State

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY SECURED ONLY BY THE PLEDGED REVENUE OF THE AUTHORITY AS DESCRIBED ABOVE UNDER "PLEDGE AND ASSIGNMENT OF REVENUE AND FUNDS." THE BONDS DO NOT CONSTITUTE A DEBT OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, NOR A PLEDGE OF THE GENERAL TAXING POWER OR THE FAITH AND CREDIT OF THE STATE OR OF ANY SUCH POLITICAL SUBDIVISION.

The State has covenanted in the Act that it will not repeal or reduce the motor fuel taxes, the motor vehicle document fees, the motor vehicle registration fees or the fees constituting Pledged Miscellaneous Transportation Revenue, which are pledged to secure the Bonds, below the levels in effect on the date of issuance of the 2022 Bonds until such Bonds are paid or provision for their payment is made. The State has not, however, authorized nor does it have any obligation to increase the rates of those taxes or fees to generate revenue to meet debt service on the 2022 Bonds.

The State has also covenanted in the Act that it will not (i) limit or alter the rights or powers vested in the Authority by the Act in any way that would jeopardize the interest of the holders of the Bonds or inhibit or prevent performance or fulfillment by the Authority of the terms of any agreement made with the holders or (ii) prevent the Authority from obtaining revenue which, together with other available funds, shall be sufficient to meet all expenses of the Authority and fulfill the terms of any agreement made with the holders of Bonds and all costs and expenses in connection with any action or proceedings by or on behalf of the holders, or (iii) prevent the Authority from receiving payment of funds as provided in any agreement, until the Bonds together with interest and premium, if any, thereon are fully met and discharged or provided for.

The State has also covenanted in the Act that it will not limit or restrict the rights granted to the Authority by the Act to construct, reconstruct, improve, extend, alter, modernize, repair, operate and maintain any transportation facilities, or to establish and collect such charges, fares, fees, rates, rentals and tolls as may be convenient or necessary to produce sufficient revenue to meet the expenses of maintenance and operation thereof and to fulfill the terms of any agreements made with the holders of bonds authorized by the Act or in any way impair the rights or remedies of the holders of such bonds until all of such bonds are fully paid or discharged.

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 subordinated indebtedness issued pursuant to and subject to the terms of that certain Master Indenture of Trust dated as of December 1, 2015 (the "Master Indenture") between the Authority and Wilmington Trust, National Association, as trustee (the "301 Trustee") are considered "Subordinate Indebtedness" under the Agreement. In December 2015, the Authority issued its Sr. 301 Bonds (as defined herein) in an aggregate principal amount of $212,535,000 and its TIFIA 301 Bond (as defined herein) in a principal amount up to $211,350,000, both of which were issued as Subordinate Indebtedness under the Agreement.

Before January 1, 2016, subordinate obligations issued under the Agreement could 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 Senior 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 the Agreement. See "SECURITY FOR THE BONDS – Flow of Funds."

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.

SOURCES OF REVENUE FOR THE TRUST FUND

General

The TTF receives the motor fuel taxes, the Delaware Turnpike toll and concession revenue, Route 1 Toll Revenue, the motor vehicle document fee revenue, the motor vehicle registration fee revenue, Miscellaneous Transportation Revenue 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 (which includes, among others, the escheat revenues), is pledged to secure the Bonds.

DEFAC Estimates & Traffic Report Estimates

The Delaware Economic and Financial Advisory Council ("DEFAC") forecasts revenue of the TTF applying various assumptions and forecasts provided to it by the Department. A traffic report entitled "Traffic and Revenue Report I-95/Delaware Turnpike and SR 1" has been completed by Stantec Consulting Services Inc. (the "Transportation Consultant") on June 28, 2022 (the "Traffic Report") and is attached hereto as APPENDIX D. The forecasts of toll and concession revenue for the Delaware Turnpike and the Route 1 Toll Road contained herein reflect the DEFAC forecasts.

The Traffic Consultant used a combination of observed data, surveys, past recession trends, and its professional judgment to estimate the impact of the COVID-19 pandemic and the on-going recession that followed on the revenues of the Authority derived from I-95 and Route 1 Toll Road. The traffic report that was completed in July 2020 described two revenue scenarios to provide a range of estimates due to the uncertainty of the depth and duration of COVID-19 outbreak and are based on (i) a "less severe / shorter recovery duration" condition and (ii) a "more severe / longer recovery duration" condition. The shorter recovery duration scenario was considered as an optimistic estimate with an assumption that there will be fewer obstacles in overcoming the impact of COVID-19, for example, the timely invention of the vaccine. In contrast, the longer recovery duration scenario assumed that there might be additional unknown impacts, such as a second wave of the outbreak, a deeper recession, etc., all of which could prolong the recovery process. However, the June 2022 Traffic Report concluded that the actual data from fiscal year 2021 and 2022 aligned more closely to the shorter recovery duration scenario. Thus the updated June 2022 forecasts generally follow the short duration recovery assumption.

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 $124.8 million (net of refunds) in fiscal 2021. Motor fuel tax revenue provided 24.2% of the revenue pledged to secure the Bonds in fiscal 2021 and is the second largest component of such pledged revenue. At its June 17, 2022 meeting, DEFAC forecasted motor fuel tax revenues of $136.4 million for fiscal year 2022, providing 26.2% of the revenue pledged to secure the Bonds in fiscal 2022.

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.

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History of Gallonage and Revenue from Motor Fuel Taxes

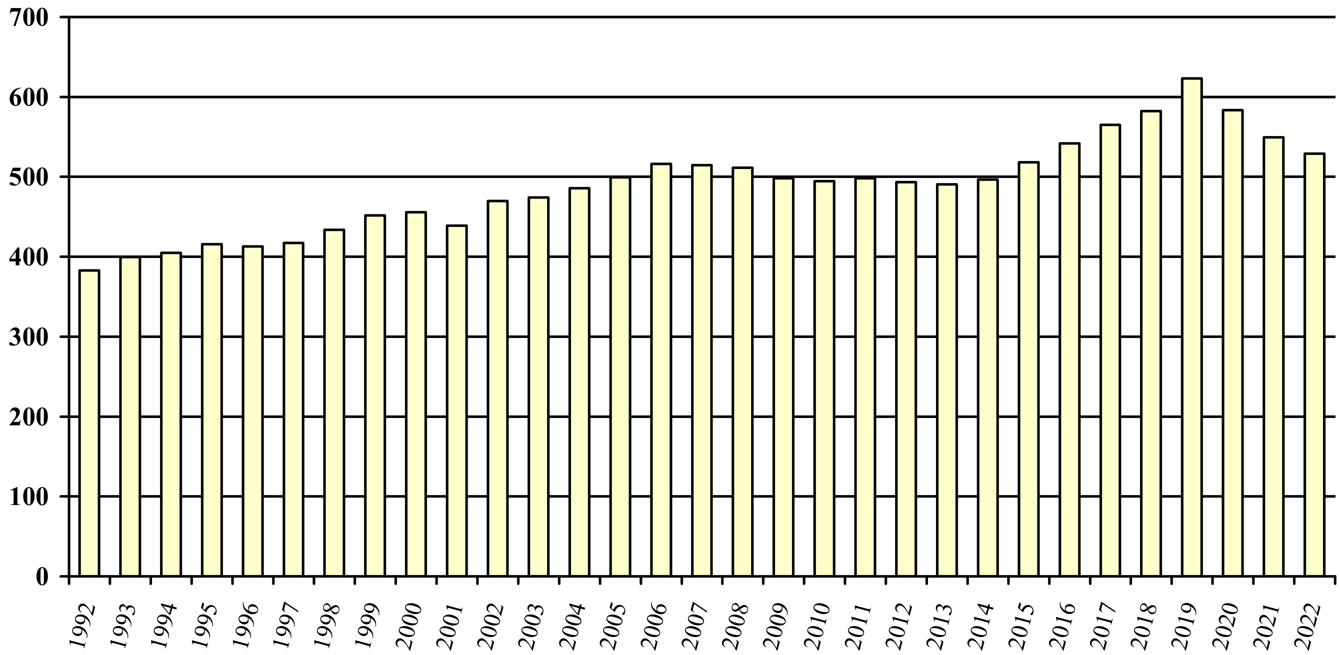
(dollars and gallonage in millions; percent change
calculated from unrounded data)

	Gallonage		Change		Revenue	(1)	Change	
1992	382.8		(0.3)	%	72.5	(2)	9.8	%
1993	399.7		4.4		75.6		4.3	
1994	404.8		1.3		84.7	(3)	12.0	
1995	415.5		2.6		91.7	(4)	8.3	
1996	412.7		(0.7)		94.1		2.6	(5)
1997	417.2		1.1		95.1		1.1	
1998	433.8		4.0		98.5		3.6	
1999	451.9		4.2		102.5		4.1	
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		1.2	
2006	516.2		3.4		120.1		5.6	
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		(0.9)	
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	
2016	541.9		4.6		124.6		6.5	
2017	565.0		4.3		129.6		4.0	
2018	582.1		3.0		131.9		1.8	
2019	623.1		7.0		142.8		8.3	
2020	583.6		(6.3)		136.8		(4.2)	
2021	549.3		(5.9)		124.8		(8.8)	
2022	529.2	(6)(7)	(3.7)		133.8	(7)	7.2	

(1) Net of motor carrier fees and refunds for non-highway use.
(2) Rate increased from 16 to 19 cents per gallon for gasoline on January 1, 1991.
(3) Rate increased from 19 cents to 22 cents per gallon for gasoline on September 1, 1993.
(4) 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.
(5) Reflects full year impact of fiscal 1995 rate increase.
(6) Gallons are reflective for an eleven (11) month period.
(7) Unaudited.

The following graph plots the taxable motor fuel consumed in the State from fiscal 1992 through fiscal 2022.

Motor Fuel Consumption
Fiscal 1992-2022
(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, the fuel efficiency of the vehicle fleet and in 2020, the COVID-19 pandemic.

During the thirty-five year period from fiscal 1985 through fiscal 2019, motor fuel consumption has risen from a low of 361.5 million gallons during fiscal 1985 to an all-time high of 623.1 million gallons during fiscal 2019. Until 2014, motor fuel consumption had declined in every year since 2007, except for a 0.7% increase in fiscal 2011 which is attributed to the re-opening of the I-95 service plaza that had been closed for most of fiscal 2010. Motor fuel consumption has risen every year from fiscal 2014 through fiscal 2019, increases can be attributed to both lower fuel prices and increased vehicle miles traveled. In fiscal 2020, due to the COVID-19 pandemic, traffic and revenue decreased. See "OTHER INVESTMENT CONSIDERATIONS – Coronavirus "COVID-19" Outbreaks." In fiscal 2022, the I-95 service plaza sold over eight (8) million gallons of gasoline and over five (5) million gallons of diesel fuel.

Special fuel consumption has increased significantly since fiscal 1980 primarily because of the increased use of diesel engines. Special fuel's percentage of total consumption has increased from 9.2% in fiscal 1980 to 15% in fiscal 2022.

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 2028. 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 affect 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:

- Dependency on imported crude oil – U.S. dependency on imported crude oil has decreased as a result of continued domestic development of light oil and increased development of offshore resources in the Gulf of Mexico (where there is a supply of oil). The U.S. Energy Information Administration (EIA), in the May 2022 Short Term Energy Outlook ("STEO"), reported their outlook remains subject to heightened levels of uncertainty resulting from a variety of factors, including Russia's invasion of Ukraine, the production decisions of Organization of the Petroleum Exporting Countries (OPEC), and the rate of which U.S. oil and natural gas producers increase drilling.
- Use of substitute fuels – the use of biofuels has increased in the U.S., thus reducing the need for gasoline.
- Motor vehicle fuel efficiency and level of demand – In 2012, the US Department of Transportation and the Environmental Protection Agency (EPA) issued standards that will increase fuel economy to the equivalent of 54.5 mpg for cars and light trucks by Model Year 2025.
- Currently, recent surge in fuel prices may be attributed to recovery in demand following the pandemic. There are several indications that the economy is contracting and a recession is expected in the near term. A recession would likely lessen demand for fuel which would tend to reduce fuel prices, unless other supply constraints occur. The fiscal 2023 projection is forecasted to be 5.3%, which takes the original (pre-COVID-19 pandemic) fiscal 2020 forecast and applies a -2.9% growth rate to account for a fiscal 2021 recessionary period.

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
2023	595.9	12.6%[3]	141.6	5.8%[3]
2024	601.8	1.0	144.1	1.7
2025	607.9	1.0	146.3	1.5
2026	613.9	1.0	145.5	(0.5)
2027	620.1	1.0	147.7	1.5
2028	626.3	1.0	150.0	1.5

(1) Projections provided by DEFAC from its June 17, 2022 meeting.
(2) Revenue net of motor carrier fees and refunds for non-highway use.
(3) Percent change from unaudited fiscal 2022 results.

Toll Revenue

Delaware Turnpike Revenue

General. The toll and concession revenue of the Delaware Turnpike generated the third largest source of revenue to the TTF: $115.7 million in fiscal 2021 or 23.9% of the revenue pledged to secure the Senior Bonds (including the 2022 Bonds), Junior Bonds and Subordinate Indebtedness issued pursuant to the Agreement. Of the total toll and concession revenue in fiscal 2022, toll revenue comprised 99.0% and concession revenue comprised 1.0%.

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.

For a variety of reasons, the Department determined to separate from the Consortium. In connection with the decision to separate from the Consortium, the Department 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 had a utilization rate of 82.7%, while the rate on State Route 1 was 83.2% for fiscal 2022. These rates will continue to increase as neighboring toll facilities join the E-Z Pass network.

<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 I-95 Maryland Transportation Authority, 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. Route 13 and Delaware Route 9 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 (14 cash lanes and 4 high-speed E-Z Pass lanes, two 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, The Biden Welcome Center (the "Travel Plaza"), 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 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 former 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. In June of 2021, HMS Host Corporation sold its equity interest in HMS Host Tollroads, Inc to Iris Buyer LLC, a consortium of Applegreen Ltd. And Blackstone Infrastructure Partners. Applegreen, Ltd. assumed the remainder of the 35-year lease term and $21 million dollar capital improvement obligation. Since June of 2021, Applegreen Ltd. Has been operating the Travel Plaza and in fiscal 2022, concession revenue to the Delaware Turnpike totaled $1.6 million.

<u>Historic Traffic and Toll Summary</u>. The average annual growth of vehicle trips since fiscal 1985 has been 1.9% through fiscal 2019. During fiscal 2020, traffic decreased by 12.8% (passenger traffic decreased by 15.5% and commercial traffic was up 3.7%) due to the COVID-19 pandemic. During fiscal year 2021, traffic decreased by 4% due to continued COVID-19 pandemic. During fiscal year 2022, traffic increased by 12.8% due to beginning the rebound from the COVID-19 pandemic.

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. 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 2004 to 26.8 million in fiscal 2019. The impact from the COVID-19 pandemic on traffic and toll revenues commenced in March 2020. In June 2020, commercial traffic returned with a positive 1.5% increase, but passenger traffic remained down by over 30%. For fiscal year 2021, the commercial traffic increased by 1.6% while passenger were down by 4.5%. In fiscal year 2022 both commercial and passenger increased by 4.2% and 19.6% respectively.

Toll Evasion Agreement. In fiscal 2008, the Authority discontinued its toll evasion program. Commercial traffic declined from fiscal 2008 through fiscal 2011. In fiscal 2012, as the recession eased, commercial traffic increased by 2.5%. However, in fiscal 2013, traffic unexpectedly declined. In fiscal 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 in the vicinity of the I-95 Newark toll plaza, particularly along the Delaware Route 896 corridor and Christina Parkway which by local ordinance restricts use of such roads for local deliveries.

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 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 fiscal 2014. Revenues associated with the increased truck traffic was $2.3 million. The total cost of the agreement was $55,584. Commercial traffic was up 5.9% compared to the previous year.

The Department has kept this program in place and has just negotiated to continue these programs through fiscal 2023. Due to the success of the program, the Department anticipates continuing the program into the future.

Vehicle Trips. The following table summarizes the recorded vehicle trips through the Delaware Turnpike toll barrier and the revenue derived from tolls and concessions from fiscal 1992 through fiscal 2022.

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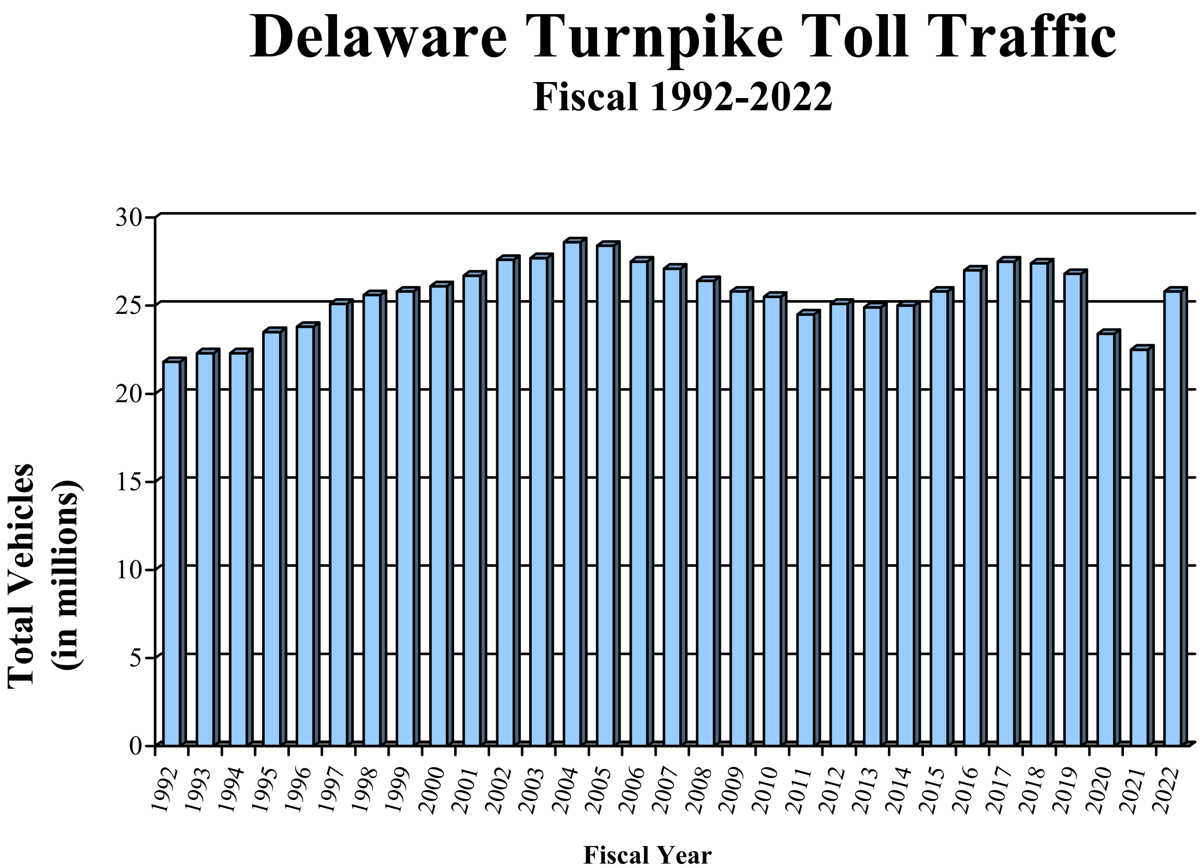
Delaware Turnpike Vehicle Trips and Revenue

(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
1992	21.8	3.8%	$ 29.5		1.9	$ 31.4	2.3%
1993	22.3	2.3	30.4		2.0	32.4	3.2
1994	22.3	0.0	36.7	(1)	2.1	38.8	19.8
1995	23.5	5.4	40.3		2.2	42.5	9.5
1996	23.8	1.3	40.6		2.3	42.9	0.9
1997	25.1	5.5	41.8		2.4	44.2	3.0
1998	25.6	2.0	43.3		2.4	45.7	3.4
1999	25.8	0.8	51.3	(2)	2.5	53.8	17.7
2000	26.1	1.2	60.1		2.5	62.6	16.4
2001	26.7	2.3	61.6		2.6	64.2	2.6
2002	27.6	3.4	62.1		2.5	64.6	0.6
2003	27.7	0.4	60.1		2.5	62.6	(3.1)
2004	28.6	3.2	60.1		2.8	62.9	0.5
2005	28.4	(0.7)	57.9		2.8	60.7	(3.5)
2006	27.5	(3.2)	84.7	(3)	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	(4)	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	(3.9)	114.1		1.8	115.9	(2.0)
2012	25.1	2.4	115.3		1.8	117.1	1.1
2013	24.9	(0.8)	117.7		2.4	120.1	2.5
2014	25.0	0.4	119.9		2.5	122.4	1.9
2015	25.8	3.2	117.8		2.6	120.4	(1.6)
2016	27.0	4.7	129.9		2.6	132.5	10.0
2017	27.5	1.9	133.7		2.5	136.2	2.8
2018	27.4	(0.4)	132.7		2.4	135.1	(0.8)
2019	26.8	(2.2)	132.5		2.4	134.9	(0.1)
2020	23.4	(12.7)	114.2		2.0	116.2	(13.9)
2021	22.5	(3.8)	114.4		1.3	115.7	(0.4)
2022(5)	25.8	14.7	142.2		1.6	143.8	24.3

(1) Toll increase effective September 1, 1993.
(2) Toll increase for Non-E-Z Pass cars effective on January 4, 1999.
(3) Toll increase effective October 1, 2005.
(4) Toll increase effective October 1, 2007.
(5) Unaudited.

The following graph illustrates the growth of traffic through the toll gates of the Delaware Turnpike from fiscal 1992 through fiscal 2022.



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 2022 by class of vehicle.

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Delaware Turnpike Barrier Tolls

	January 4, 1999 - September 30, 2005	October 1, 2005 - September 30, 2007	October 1, 2007 to Present (4)	% of Fiscal 2022(5) 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	12.2%
Passenger cars, pick up and panel trucks-EZP	$1.25	$3.00	$4.00	59.2%
Two axles, six tire trucks	n/a	n/a	n/a	n/a
Three axles trucks	$2.50	$5.00	$6.00	2.6%
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	2.9%
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	22.5%
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	0.6%
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.
(5) Unaudited.

Projections of Delaware Turnpike Toll and Concession Revenue. DEFAC projects toll and concession revenue which projections are set forth in the following chart.

Projections of Delaware Turnpike Toll and Concession Revenue(1)

(dollars in millions)

Fiscal Year	Toll Revenue(2)	Concessions	Total Revenue	Percent Change
2023	$139.5	$ 2.1	$ 141.6	5.5%(3)
2024	140.0	2.2	142.2	0.4
2025	141.4	2.2	143.6	1.0
2026	142.8	2.2	145.0	1.0
2027	144.2	2.2	146.4	1.0
2028	145.7	2.3	148.0	1.1

(1) Projections provided by DEFAC from its June 17, 2022 meeting.
(2) Excludes "Other Turnpike Revenue."
(3) Percent change from unaudited fiscal 2022 results.

Route 1 Toll Road

General. The Authority has completed a fully controlled access highway of 41 miles extending from a connection with the southern terminus of the new Route 1 Toll Road just south of Wilmington to points south of Dover on U.S. Routes 13 and 113. A new high-level bridge across the Chesapeake and Delaware Canal was opened for traffic during December 1995.

The southern portion of the project was opened for traffic during December 1993. This section is approximately 9 miles and extends from north of Smyrna southward to south of State Route 10 in the vicinity of the Dover Air Force Base. This section also includes a mainline toll plaza and one ramp toll for access to and from the City of Dover.

A portion of the northern section of approximately 4.8 miles, including a new bridge over the Chesapeake and Delaware Canal, was opened for traffic in December 1995. On November 17, 1999, this section was extended another 9 miles south to Odessa. This section has a main-line toll plaza (the Biddle's Plaza) and tolls on the southerly interchange ramps at Route 896 (Boyd's Corner). The final section from south of Odessa to north of Smyrna was finished in May 2003.

Most Recent Toll Increase. Effective August 2014, the weekend toll rate for all vehicle classes was increased by $1.00.

Fiscal 2008 Toll Increases. With input from the General Assembly and the then Governor and her Administration, the Authority evaluated the current toll structure and found that amending the current structure of the Route 1 Toll Road would be in the best interest of the Authority.

Effective October 1, 2007, passenger tolls at the Biddles and Dover plazas were increased by $1.00 on weekends (weekends are defined as the period between 7:00 p.m. ET on Friday through 11 p.m. ET on Sunday). Passenger weekday and weekend tolls at the other toll areas remained unchanged.

Commercial traffic tolls were raised by $.25 per axle at Smyrna and $.50 per axle at Denneys and Boyds. At Biddles and Dover, the commercial toll was raised by $1.00 per axle on weekdays and an additional $1.00 per axle on weekends.

Effective October 1, 2007, the 15% E-Z Pass discount was eliminated. Passenger frequency discounts of 50% for travelers who meet the "30 trips in 30 days" requirement remained in place. The commercial E-Z Pass discount was reduced from 50% to 25%, and is still available without a minimum trip requirement. The High Occupancy Vehicle ("HOV") Plan discount was also eliminated. The current toll structure is listed below:

Vehicle Class	Smyrna	Denneys Road and Boyds Corner	Biddles Plaza and Dover Plaza	
	All Days	All Days	Weekday	Weekend
Two Axle	$ 0.25	$ 0.50	$ 1.00	$ 3.00
Three axle	0.75	1.50	3.00	5.00
Four axle	1.00	2.00	4.00	6.00
Five axle	1.25	2.50	5.00	7.00
Six axle	1.50	3.00	6.00	8.00
Wide-load Permit			11.00	11.00

Historic and Projected State Route 1 Toll Revenue. Fiscal 1995 represented the first full year of operation for the Route 1 Toll Road. Total revenues of $6.4 million exceeded the forecast of $5.7 million projected in connection with the sale of the 1994 Series Senior Bonds. DEFAC's projected toll revenue for the entire Route 1 Toll Road, assuming the present toll structure was maintained at both mainline toll barriers, is set forth in the following table. Total annual revenues to be generated from the entire toll road are expected to increase to approximately $69.0 million by fiscal 2028.

While annual transactions and toll revenue have continually increased since 2012, the impact of the pandemic on travel patterns was evident in fiscal year 2020 as both transactions and revenue decreased 12.3% and 11.6%, respectively, compared to 2019 levels. Fiscal year 2021 had only a small amount of pandemic recovery with transactions increasing 0.4% and revenue increasing 2.8% when compared to fiscal year 2020. Significant recovery is seen in the fiscal year 2022 data through May 2022 with transactions and revenue increased 7.8% and 8.3%, respectively, over the same eleven months of the prior year.

REVENUE FROM THE ROUTE 1 TOLL ROAD IS NOT PLEDGED TO SECURE THE BONDS.

Route 1 traffic volumes have been increasing fairly consistently, with the exception of the impacts of the 2007 toll increase in fiscal 2008, the effects of the recession in fiscal 2009 and the COVID-19 pandemic in fiscal 2020-21. In 2006, there were 37.3 million transactions on the toll road and this increased to 38.5 million in fiscal 2022.

Route 1 Toll Road
Historical Toll Revenue
(dollars in millions, percentage change calculated from unrounded data)

Fiscal Year	Total Toll Revenue	Percent Change
1999	$ 9.7	5.4%
2000	16.4	69.1
2001	20.7	26.2
2002	24.2	16.9
2003	25.4	5.0
2004	27.1	6.7
2005	30.2	11.4
2006	31.5	4.3
2007	32.6	3.5
2008	40.5(1)	24.2(1)
2009	44.5	9.9
2010	45.5	2.2
2011	44.4	(2.4)
2012	44.9	1.1
2013	46.2	2.9
2014	47.6	3.0
2015	55.8(2)	17.2
2016	59.8	7.2
2017	61.3	2.5
2018	62.0	1.1
2019	62.5	0.8
2020	54.2	(13.3)
2021	55.0	1.5
2022	62.6(3)	13.8

(1) Toll increase effective October 1, 2007.
(2) Weekend toll increase effective August 1, 2014.
(3) Unaudited.

Projections of SR-1 Toll Revenue[(1)]
(dollars in millions)

Fiscal Year	Toll Revenue	Percent Change
2023	63.9	2.1%[(2)]
2024	64.9	1.6
2025	65.9	1.5
2026	66.9	1.5
2027	67.9	1.5
2028	69.0	1.6

(1) Projections provided by DEFAC from its June 17, 2022 meeting.
(2) Percent change from unaudited fiscal 2022 results.

Legislation – House Bill 140

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 the following revenue sources for the TTF:

Fee Source	Prior Fee	New Fee (effective Oct. 1, 2015)
Motor Vehicle Document Fee	3.75% of vehicle net cost	4.25% of vehicle net cost
Late Renewal of Driver's License	$1.15	$10.00
Late Renewal of Vehicle Registration	$10.00	$20.00
Reinstatement of Suspended License	$25.00	$40.00
Reinstatement of Revoked License	$143.75	$200.00
Vehicle Temporary Tag	$10.00	$20.00
Sale of Driver's License Records	$15.00	$25.00
Transfer of Specific Vehicle Tag	$10.00	$20.00
Issuance of Title	$25.00	$35.00
Issuance of a Lien on Existing Title	$10.00	$20.00
Duplicate Documents		
- Driver's License	$10.00	$20.00
- Title	$25.00	$50.00
- Vehicle Validation Stickers	$1.00	$5.00
- Registration Card	$2.00	$10.00

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 $138.7 million in fiscal 2021, 24.8% of the fiscal 2021 Pledged Revenue to the Senior Bonds, Junior Bonds and Subordinate Indebtedness issued pursuant to the Agreement. The June 17, 2022 DEFAC forecast for motor vehicle document fees for fiscal 2022 is $144.0 million and is forecasted to provide 27.6% of the revenue pledged to secure the bonds (including the 2022 Bonds) issued pursuant to the Agreement.

Fiscal 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 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 1992 through fiscal 2022.

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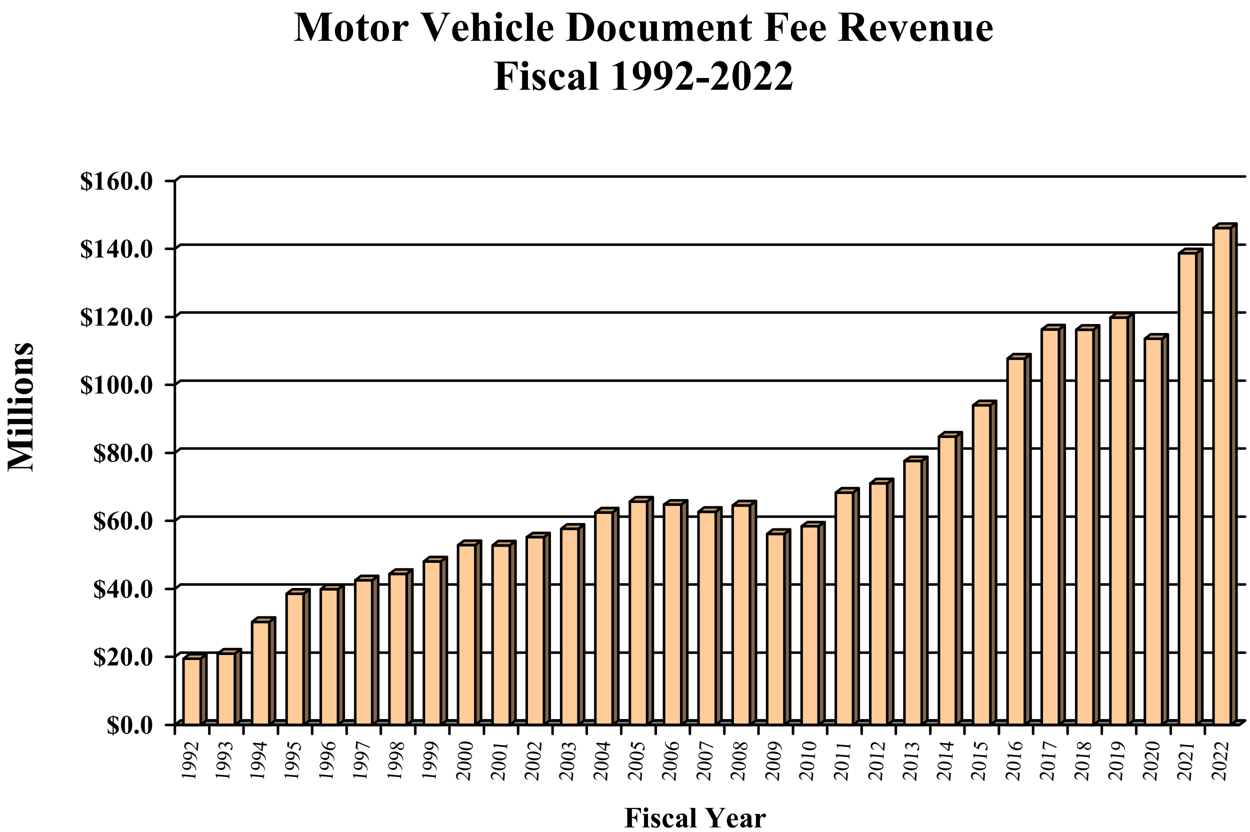
History of Motor Vehicle Document Fees

(vehicles in thousands and dollars in millions,
percent change calculated from unrounded data)

FY	Vehicles Titled (1)	Change		Revenue		Change	
1992	196.4	(6.3)	%	19.5		(1.0)	%
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		3.4	
1997	216.5	2.3		42.5		6.5	
1998	217.0	0.3		44.4		4.5	
1999	224.9	3.6		48.1		8.3	
2000	232.7	3.5		52.9		10.0	
2001	234.0	0.6		52.8		0.2	
2002	244.1	4.3		55.2		4.5	
2003	248.2	1.7		57.7		4.5	
2004	262.3	5.7		62.5		8.3	
2005	276.1	5.3		65.7		5.1	
2006	275.8	(0.1)		64.8		(1.4)	
2007	264.7	(4.0)		62.7		(3.2)	
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		3.9	
2011	232.0	7.5		68.3		17.0	
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	5.0		94.0		10.8	
2016	271.2	2.5		107.8	(5)	14.7	
2017	272.0	0.3		116.3		7.9	
2018	265.3	(2.5)		116.2		(0.1)	
2019	267.0	0.6		119.8		3.1	
2020	242.4	(9.2)		113.6		(5.2)	
2021	280.2	15.6		138.7		22.1	
2022(6)	256.2	(8.6)		146.2		5.4	

(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.
(5) Reflects rate increase from $3.75 per hundred to $4.25 per hundred, effective October 1, 2015.
(6) Unaudited.

The revenue stream in the previous table is illustrated by the following graph.



The average annual rate of growth in revenue was 8.0% between fiscal 1994 and fiscal 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 1996 and fiscal 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 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 2007.

Again in fiscal 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 economic conditions 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 2009 revenues. As conditions started to improve in fiscal 2010, revenues increased from document fees. By fiscal 2011, document fee revenues increased greatly by 17.1%, and such gain was attributed to the easing of bank financing and pent-up demand as consumers once again started to replace older vehicles. Strong vehicle sales continued annually from fiscal 2012 through fiscal 2017, inclusive, with fiscal 2018 just slightly behind fiscal 2017 (-0.1%) and followed by a 3.1% increase in fiscal 2019. Document fee revenues decreased slightly in fiscal 2020 (-5.2%) followed by a 22.1% increase in fiscal 2021 and a 5.4% increase in fiscal 2022.

Listed below are the DEFAC forecasts of document fee revenue through fiscal 2028.

Projected Motor Vehicle Document Fees (1)
(vehicles in thousands and dollars in millions)

Fiscal Year	Vehicles Titled	Change	Revenue	Percent Change
2023	288,877	12.8%	$128.5	(12.1)%(2)(3)
2024	293,210	1.5	130.4	1.5
2025	297,608	1.5	132.4	1.5
2026	302,072	1.5	134.3	1.5
2027	306,603	1.5	136.4	1.5
2028	311,202	1.5	138.4	1.5

(1) Projections provided by DEFAC from its June 17, 2022 meeting.
(2) Percent change from unaudited fiscal 2022 results.
(3) Reflects fee increase from $3.75 to $4.25 effective October 1, 2015.

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 $57.4 million in fiscal 2022 and constituted 10.9% of the revenue pledged to the Senior Bonds (including the 2022 Bonds), Junior Bonds and Subordinate Indebtedness issued pursuant to the 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 1991 - 2022, 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 4.5%, largely due to commercial fee increases enacted in fiscal 1992 and the various fee increases in October 2008. Registration fee revenue growth since fiscal 1987 has varied from the growth in the number of vehicles registered. In fiscal 1987 and fiscal 1988, revenue increased faster than vehicles registered, whereas in fiscal 1989 and fiscal 1990 revenue decreased while the number of vehicles registered increased. The variances are primarily due to the option, beginning in fiscal 1987, for new car owners to elect a three-year registration period. In fiscal 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 1992 through fiscal 1994, contributing to increases in revenue of 7.8%, 4.7% and 11.4%, respectively. The growth in registered vehicles from fiscal 2000 to fiscal 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 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 2009 and fiscal 2010 registration counts. However, revenues increased in both fiscal 2009 and fiscal 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 was from ¼ of a year to up to 5 years for new vehicles. In January 2018, six- and seven-year registrations for both passenger and commercial vehicles became available.

Registration revenue continued strong in fiscal 2013 through fiscal 2019, benefitting from increased vehicle sales. Revenue was up 5.1% in fiscal 2019. Due to the COVID-19 pandemic, fiscal decreased by 7.4% to $53.8 million. Registration revenues increased by 13.0% to $60.9 million in fiscal 2021 and the DEFAC forecast in June 2022 represents a 8.1% decrease in fiscal 2022 to $57.1 million.

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:

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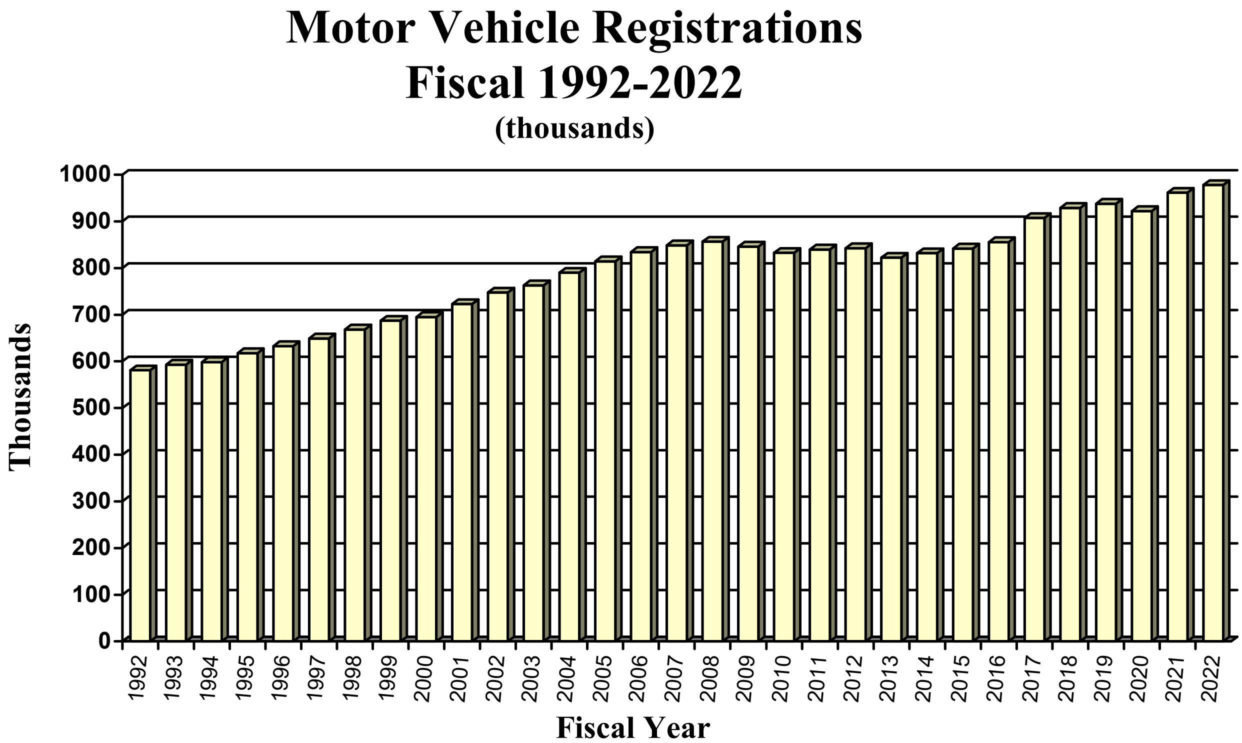
History of Motor Vehicle Registrations and Revenue
(dollars in millions, vehicle registrations in thousands,
percent change calculated from unrounded data)

	Vehicle Registration	Percentage Change	Registration Revenue		Percentage Change
1992	581.0	2.8%	$ 18.4	(2)(3)	7.6 %
1993	592.8	2.0	19.3	(4)	4.9
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)	1.8
1998	668.3	2.9	24.8	(6)	7.8
1999	687.1	2.8	24.2	(6)	(2.4)
2000	695.2	1.2	26.6	(6)	9.9
2001	722.9	4.0	27.0	(6)	1.5
2002	747.5	3.4	28.0	(6)	3.7
2003	762.9	2.1	27.8	(6)	(0.7)
2004	790.0	3.6	28.3	(6)	1.8
2005	814.3	3.1	30.2	(6)	6.7
2006	834.3	2.5	30.2	(6)	0.0
2007	848.6	1.7	31.5	(6)	4.3
2008	856.7	1.0	41.3	(6)(7)	31.1
2009	845.8	(1.3)	43.3	(6)	4.8
2010	832.7	(1.5)	44.5	(6)	2.8
2011	839.7	0.8	47.2	(6)	6.1
2012	842.4	0.3	46.6	(6)	(1.3)
2013	822.3	(2.4)	47.6	(6)	2.1
2014	831.7	1.1	49.2	(6)	3.4
2015	841.7	1.2	51.2	(6)	4.1
2016	855.5	1.6	52.3	(6)(8)	2.1
2017	907.4	6.1	54.5	(6)	4.2
2018	928.9	2.4	55.3	(6)	1.5
2019	937.7	0.9	58.0	(6)	4.9
2020	922.2	(1.7)	53.8	(6)	(7.2)
2021	961.5	4.3	60.8	(6)	13.0
2022(9)	978.0	1.7	57.4	(6)	(5.6)

(1) Effective October 1, 1986, new car 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.
(8) Various registration fee increases effective October 1, 2015.
(9) Unaudited.

The growth of vehicle registrations in the previous table is illustrated in the following graph:



Projected Registration Fee Revenue[(1)]
(vehicles in thousands and dollars in millions)

Fiscal Year	Vehicles	Percent Change	Revenue	Percent Change
2023	1,019	4.2%[(2)]	$63.2	10.1%[(2)(3)]
2024	1,033	1.4	64.2	1.6
2025	1,048	1.4	65.1	1.4
2026	1,063	1.4	66.1	1.5
2027	1,077	1.4	67.1	1.5
2028	1,092	1.4	68.1	1.5

(1) Projections provided by DEFAC from its June 17, 2022 meeting. All amounts are net of refunds for IRP.
(2) Percent change from unaudited fiscal 2022 results.
(3) Reflects various increases for motor vehicle registration fees. Fiscal 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 $2.4 million (net of refunds) in fiscal 2022. 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 $5.9 million in fiscal 2022. In fiscal 2013, the available term for driver's licenses was increased to a maximum of 8 years.

Prior to October 1, 2015, the Division of Motor Vehicles sold driver and vehicle records for $15 per document and $20 per certified document. Effective October 1, 2015, driver/vehicle records increased to $25 per document and $30 per certified document. Motor vehicle titling fees charged by the Division of Motor Vehicles have increased four times since fiscal 1992 as depicted in the following table. These fees generated $21.3 million in revenue in fiscal 2022.

Title Fees	Prior to Aug. 1, 1991	Aug. 1, 1991 to Sept. 30, 2007	Oct. 1, 2007 to Sept. 30, 2015	Effective Oct. 1, 2015
Certificate of Title	$ 4.00	$15.00	$25.00	$35.00
Title with a Lien	$ 6.05	$25.00	$35.00	$55.00

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:

	Prior Fee	Increased Fee Effective Oct. 1, 2015
Vehicle Temporary Tag	$ 10.00	$ 20.00
Duplicate Driver's License	$ 10.00	$ 20.00
Duplicate Vehicle Title	$ 25.00	$ 50.00
Late Driver's License Renewal	$ 1.15	$ 10.00
Driver's License Reinstatement	$143.75	$200.00
Retention of Vehicle Tag	$ 10.00	$ 20.00
Duplicate Vehicle Validation Sticker	$ 1.00	$ 5.00

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 1992 through fiscal 2022.

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History of Pledged Miscellaneous Transportation Revenue
(dollars in millions, percent change calculated from unrounded data)

	Total Pledged Miscellaneous Transportation Revenue[1]		Change	
1992	12.3	(2)(3)	55.7	%
1993	13.0	(4)	5.7	
1994	12.9		(0.8)	
1995	13.9	(5)	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		3.8	
2001	17.4		6.1	
2002	18.2		4.6	
2003	17.3		(4.9)	
2004	19.6		13.3	
2005	24.5	(6)	25.0	
2006	24.0		(2.0)	
2007	23.8		(0.8)	
2008	29.3	(7)	23.1	
2009	27.4		(6.5)	
2010	25.7		(6.2)	
2011	27.5		7.0	
2012	28.0		1.8	
2013	27.9		(0.4)	
2014	28.6		2.5	
2015	28.4		(0.7)	
2016	38.0	(8)	33.8	
2017	42.7		12.4	
2018	40.6		(4.9)	
2019	42.8		5.4	
2020	41.3		(3.5)	
2021	45.9		11.1	
2022	42.6	(9)	(7.2)	

(1) Net of Refunds..
(2) 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.
(3) 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.
(4) Motor Fuel Tax increased from 19 to 22 cents effective September 1, 1993.
(5) 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.
(6) Driving and vehicle records increased from $4 to $15 per record and certified documents increased from $8 to $20 effective July 1, 2004.
(7) Various fee increases effective in fiscal 2008.
(8) Various fee increases effective October 1, 2015.
(9) Unaudited.

Projected Pledged Miscellaneous Transportation Revenue [(1)]
($ in millions)

Fiscal Year	Revenues	Percent Change
2023	$44.7	4.9%[(2)(3)]
2024	45.3	1.3
2025	46.0	1.3
2026	46.7	1.3
2027	47.4	1.3
2028	48.1	1.3

(1) Projections provided by DEFAC from its June 17, 2022 meeting.
(2) Percent change from unaudited fiscal 2022 results.
(3) Reflects HB-140 increases that became effective on October 1, 2015.

Non-Pledged Miscellaneous Transportation Revenue

In fiscal years 2016 through 2022, the General Assembly transferred $5,000,000 to the TTF based on a task force recommendation to gradually revert Department operations to the State's General Fund. Any future transfer from the General Fund for purposes of supporting Department operations will be reviewed annually, and as such, the Department again emphasizes that future appropriations to the TTF are subject to the discretion of the General Assembly and cannot be considered a reliable source of funds. See "THE TRANSPORTATION TRUST FUND – Constitutional Amendment" for a discussion of the Constitutional Amendment which limits the ability of the General Assembly to appropriate TTF funds to pay for operating costs of the Department.

During its June 1997 legislative session, the General Assembly approved the transfer of three revenue sources from the General Fund to the TTF effective during fiscal 1998. These revenue sources include: (1) the motor vehicle dealer handling fee assessed at $2 for every vehicle sold by auto dealers; (2) the annual license fees for all motor vehicle dealers charged at $100 per year; and (3) the motor vehicle use tax on lessees and lessors based on amount of lease payments. The tax rate for lessees is 1.92% of total amount and the rate for lessors is 0.288%. With the passage of Senate Bill 336 by the 144th General Assembly in fiscal 2008, the transfer of the lease tax and the transfer of the lessor's license fee to the trust fund were repealed. In fiscal 2007, the 144th General Assembly passed House Bill 264, which became effective on January 1, 2008, adding a 50% surcharge to all Title 21 offenses. This surcharge revenue is transferred to the TTF, and at the time of enactment, it was expected that this revenue source would generate $3.5 million annually in additional trust fund revenue. In fiscal 2021, the TTF received $11.4 million from this revenue source.

The Department's capital program requires the acquisition of real property in advance of actual construction. Once construction is completed, any property acquired for the project, but no longer needed, is sold. As a by-product of this process the Department manages a portfolio of properties awaiting construction or disposal. All such lease revenues are transferred to the TTF. These revenues are not pledged. The Department has provided preliminary forecasts through fiscal 2026 for this revenue stream which are included in the table below.

Projections of Miscellaneous Transportation Revenue

Current Dedicated Sources. Projections for "Miscellaneous Transportation Revenue" through fiscal 2028 are shown below.

Projected Miscellaneous Transportation Revenue
(dollars in millions)

Fiscal Year	Pledged Miscellaneous Transportation Revenues [1]	Non-Pledged Miscellaneous Transportation Revenues[2]	Total Miscellaneous Transportation Revenue	Change
2023	$ 46.7	$ 9.2	$ 55.8	9.6%[3]
2024	47.3	9.2	56.5	1.1
2025	48.0	9.2	57.2	1.2
2026	48.7	9.2	57.9	1.2
2027	49.4	9.3	58.7	1.4
2028	50.1	12.8	62.9	7.2

(1) Provided by DEFAC from its June 17, 2022 meeting. Includes IFTA/Motor Carrier Fees, vanity tags, record sales, titles and other motor vehicle related fees, net of IFTA and DMV refunds.
(2) Not pledged by the Authority to secure the Bonds. Excludes the tolls from Route 1 Toll Road and the Delaware Transit Corporation farebox. Includes escheat revenue, real estate lease and sales proceeds, use tax on motor vehicle leases, motor vehicle handling and license fees, and development plan review fees, and various other transfers to the TTF.
(3) Percent change from unaudited fiscal 2022 results.

Projected Total Revenue Sources

The following table shows in the aggregate for fiscal years 2022 through 2027 the projections of total Pledged Revenue and Non-Pledged Revenue.

Projected Total Revenue Sources[1]
(dollars in millions)

Fiscal Year	Pledged Revenue[2]	Percent Change	Non-Pledged Revenue[3]	Percent Change	Total	Percent Change
2022	$ 525.1	0.2%	$94.6	(5.0)%	$619.7	(0.6)%
2023	524.1	(0.2)	96.1	3.8	620.2	0.4
2024	532.2	1.5	98.1	2.1	630.3	1.6
2025	540.4	1.5	100.1	2.0	640.5	1.6
2026	544.6	0.8	107.1	7.0	651.7	1.7
2027	552.0	1.4	109.2	2.0	661.2	1.5

(1) Delaware Turnpike toll and concession revenue, investment earnings, Route 1 Toll Revenue, motor fuel revenue, motor vehicle document fee revenue, motor vehicle registration fee revenue, Pledged Miscellaneous Transportation Revenue and Non-Pledged Miscellaneous Transportation Revenue projected by DEFAC from its June 17, 2022 meeting.
(2) Includes Delaware Turnpike Revenues, motor fuel tax revenues, motor vehicle document fee revenue, motor vehicle registration fee revenue, Pledged Miscellaneous Transportation Revenue and investment earnings.
(3) Route 1 Toll Revenue, escheat revenues and other Non-Pledged Miscellaneous Transportation Revenues. See discussion of escheat revenue under "SECURITY FOR THE BONDS – Non-Pledged Revenue" herein. Does not include Delaware Transit Corporation farebox transit revenue. Also, Port of Wilmington loan repayments are not included.

DEBT SERVICE REQUIREMENTS

The following table summarizes debt service requirements for the Authority's outstanding Senior Bonds, upon the issuance of the 2022 Bonds in each fiscal year ending June 30 (assuming July 1 payments are made on the previous June 30). No Junior Bonds are outstanding. The table below does not take into account outstanding Subordinate Indebtedness under the Agreement.

Fiscal Year	Prior Outstanding Senior Bonds Debt Service[1]	2022 Senior Bonds Principal	2022 Senior Bonds Interest	Total Senior Bonds Debt Service[2]
2023	$ 64,723,375	$ 20,560,000	$ 8,478,292	$ 93,761,667
2024	59,475,875	24,415,000	9,145,950	93,036,825
2025	71,332,488	6,420,000	7,925,200	85,677,688
2026	67,546,725	6,740,000	7,604,200	81,890,925
2027	63,491,225	7,080,000	7,267,200	77,838,425
2028	59,046,975	7,435,000	6,913,200	73,395,175
2029	54,322,425	7,805,000	6,541,450	68,668,875
2030	49,438,025	8,195,000	6,151,200	63,784,225
2031	44,484,400	8,605,000	5,741,450	58,830,850
2032	39,598,750	9,035,000	5,311,200	53,944,950
2033	34,844,850	9,485,000	4,859,450	49,189,300
2034	30,312,800	9,960,000	4,385,200	44,658,000
2035	26,074,350	10,460,000	3,887,200	40,421,550
2036	22,158,700	10,980,000	3,364,200	36,502,900
2037	18,613,300	11,530,000	2,815,200	32,958,500
2038	15,450,600	11,990,000	2,354,000	29,794,600
2039	12,667,450	12,410,000	1,934,350	27,011,800
2040	10,259,600	12,860,000	1,484,488	24,604,088
2041	-	13,330,000	1,018,313	14,348,313
2042	-	13,825,000	518,438	14,343,438
Total[2]	$ 743,841,913	$ 223,120,000	$ 97,700,179	$ 1,064,662,092

(1) Includes $4,436,750 of debt service paid in 2023 on the Refunded Bonds.
(2) Totals may not add due to rounding.

OTHER INVESTMENT CONSIDERATIONS

The following is a discussion of certain risk factors that should be considered in evaluating an investment in the 2022 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 2022 Bonds in addition to those set forth herein.

Limited Obligations

The 2022 Bonds are limited obligations of the Authority payable solely from and secured by a pledge of the Pledged Revenue. Other than the pledge of the Pledged Revenue, the Authority has not mortgaged, assigned or pledged any interest in any real or personal property or improvements as security for payment of the 2022 Bonds.

Ability to Maintain or Raise Rates

The Authority may need to raise toll rates in the future above the current toll rate schedule to support its debt service requirements. Although the Transportation Consultant's Traffic 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 Delaware Turnpike, resulting in decreased Pledged Revenue. Additionally, political pressure could result in hesitance by the Authority to raise rates further if needed.

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 Pledged Revenue of the Authority. Additionally, if motor fuel prices increase, it could have a material adverse effect on the economy of the region and the Pledged Revenue of the Authority.

Dilution of Pledged Revenue

The Agreement permits the Authority, subject to certain conditions, to issue from time to time, additional senior revenue bonds, junior revenue bonds or subordinated indebtedness as described in "SECURITY FOR THE BONDS – Additional Senior Bonds, – Additional Junior Bonds, – Subordinate Indebtedness," and in "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE AGREEMENT." In addition, under certain conditions, the debt service reserve fund and operating reserve fund requirements under the 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 Revenue that is available to pay debt service on the 2022 Bonds. See "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE AGREEMENT."

Coronavirus "COVID-19" Outbreaks

The spread of "coronavirus disease 2019" ("COVID-19"), a respiratory disease caused by a new strain of coronavirus, is having a material impact on global, national and state economies. On March 11, 2020, the World Health Organization elevated COVID-19 from a Public Health Emergency of International Concern to a "pandemic." Also, on March 11, 2020, the first case of COVID-19 was confirmed in the State of Delaware. On March 13, 2020, President Trump, proclaimed that the COVID-19 outbreak in the United States constituted a national emergency beginning on March 1, 2020.

The first confirmed case of COVID-19 in the State of Delaware (the "State") was recorded on March 11, 2020. In response, on March 12, 2020, the Governor of Delaware declared a State of Emergency, which among other things, limited certain large gatherings. As the prevalence of COVID-19 increased in Delaware, the Governor issued additional State of Emergency orders intended to prevent a surge in cases, preserve hospital capacity and save lives. The Governor's orders, among other things, closed non-essential businesses and on-site school operations; ordered residents of Delaware to stay home and shelter in place; limited non-essential travel; prohibited gatherings of more than ten people; and banned short-term rentals. The outbreak of the disease has affected travel, commerce and financial markets globally and affect economic growth worldwide.

On June 1, 2020, the State commenced Phase 1 of its Economic Reopening Plan to allow for certain businesses to operate at reduced capacity and with social distancing and cleaning protocols in place. On June

15, 2020, the State transitioned to Phase 2 of its Economic Reopening Plan, which permits summer camps and youth sports to open and increases permitted capacity in a variety of businesses from 30% to 60%. As of June 25, 2020, the State has indicated that it is analyzing the relevant data in order to determine the appropriate timeline to transition into Phase 3 of the Economic Reopening Plan.

Reactions to concerns related to COVID-19 may materially affect state, national, and global activity; increase public health emergency response costs; and, consequently, materially adversely affect the financial condition of the State and the Authority. Many states and municipalities have begun and continue to take measures that are having negative effects on global and local economies. In addition, businesses and people have altered behaviors in manners that are and may continue to negatively affect the economy. Although the ultimate economic and fiscal impact cannot be reasonably estimated at the current time, the information in this section provides an overview of the projected financial impact on the Authority.

The Authority anticipates significant impacts on its revenues and cash flow as a result of both the COVID-19 pandemic itself and the state and federal efforts to mitigate long-term damage to both public health and national and local economies. DEFAC estimates contained herein represent an initial assessment of potential revenue impacts.

At the April 2020 DEFAC meeting, a COVID-19 forecast was approved. During subsequent meetings in May and June, it was determined that the original April 2020 forecast was still accurate after review of actual revenues, and no additional changes were made to the forecast. The total forecasted impact reflects a decrease of $63.1 million in revenues in fiscal 2020. Actual revenue loss in fiscal 2020 was $61.5M. Fiscal year 2021 resulted in a $55.8M revenue loss as a result of the ongoing COVID-19 pandemic. For fiscal year 2022, at the May 2022 DEFAC meeting, revenue projections were revised to $592.3M which came in $11.7M slightly lower when compared to the March 2020 pre-pandemic forecast of $609.8M.

At this time all Departmental operations have returned to pre-pandemic protocols. The Department was allocated $209.8M in several rounds of COVID-19 economic relief through the Coronavirus Aid, Relief and Economic Security Act, Coronavirus Response and Relief Act, and most recently the American Rescue Plan Act of 2021. This allocation of funding received through Federal Transit Administration and Federal Highway Administration was used to supplement operating costs of the Departments transit agency, Delaware Transit Corporation and offset the revenue loss experienced in fiscal years 2020 through to 2024.

Risk factors referenced herein and arising from the uncertainty surrounding the COVID-19 pandemic is not intended to be exhaustive. Because of the evolving nature of the outbreak and the federal, state and local responses thereto, the Authority cannot predict how the COVID-19 pandemic will impact the financial condition or operations of the Authority. The financial and operating data contained herein are for periods prior to the occurrence of the COVID-19 pandemic and the implementation of measures designed to slow its spread. Accordingly, they do not reflect the economic impact of the COVID-19 pandemic and may not be indicative of the current financial condition or future prospects of the Authority. The Authority continues to monitor the spread of COVID-19. While the potential impact of the COVID-19 pandemic on the Authority cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the Authority's operations and financial condition, and the effect could be material.

Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on State websites, including but not limited to the Governor's website (http://www.governor.delaware.gov) and the Delaware Division of Public Health (http://www.coronavirus.delaware.gov). ***The Authority has not incorporated by reference the information on such websites and the Authority does not assume any responsibility for the accuracy of the information on such websites.***

Climate Change

The State's location is one of the lowest laying states of the United States which exposes it to a variety of climate risks, such as sea level rise, severe storms, hurricanes, and even subsidence which can significantly damage the State's infrastructure. In addition, the State is becoming vulnerable to more significant high intensity, short duration localized storms and other impacts of climate change. These climate events have the potential of damaging portions of the State's roads and infrastructure especially along the State's coastal regions. However, the Authority cannot predict the impact that these climate events may have on its capital improvement program and financing plans.

The Authority and the Department are taking the following active steps with respect to mitigating climate change effects including, but not limited to: (i) incorporating climate change mitigation and adaption in the planning, design, construction and maintenance of capital transportation projects; (ii) working closely with other State agencies and interested stakeholders in the planning and review of risks associated with storm surges along the State's eastern most coastal roadways; (iii) engaging professional engineering consultants to develop tools to assist the Department in developing appropriate strategies for at-risk engineering of roadways and bridge projects; and (iv) engaging with local stakeholders and experts at a local, state and national level through professional transportation organizations to develop comprehensive mitigation and adaption strategies within the State.

To focus the efforts on mitigation projects and programs, the Department announced a new Division of Transportation Resiliency and Sustainability in May of 2021. The mission of this newly created division is to provide the citizens of Delaware with the most resilient and sustainable transportation infrastructure through effective project planning, design, construction, and maintenance along with the incorporation of innovative solutions such as alternative energy and electrification of our infrastructure to address the challenges associated with climate change. The goals of the Division are to centralize the Departments efforts to improve the resiliency of our transportation network, examine the impacts climate change and sea-level rise are having on our transportation infrastructure, incorporating resiliency and sustainability measures in the planning, design, construction, and maintenance of our projects. As part of the Infrastructure Investment and Jobs Act (IIJA)/Bipartisan infrastructure Law (BIL) the Department will receive annual federal apportionments for several new Federal Highway Programs that will be managed by the new Division of Transportation Resiliency and Sustainability that include: Planning, resilience improvements, community resilience and evacuation routes, and at-risk coastal infrastructure (PROTECT), Carbon Reduction Program, and Charging and Fueling Infrastructure Funding (NEVI). Annual allocations for the three new FHWA programs average $15 million annually over the five year legislation and will be prioritized towards meeting the goals of resiliency and sustainability, as well as addressing climate change effects on the states infrastructure.

More information about the Departments efforts and focus as it relates to climate change, resiliency and sustainability may be accessed by using this link: https://deldot.gov/Programs/trs/.

Technological and Societal Changes

Neither the Authority nor the Transportation Consultant can predict the technological and societal changes that may affect the use of the Delaware Turnpike during the period that the 2022 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 Delaware Turnpike. 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 toll revenue of the Delaware Turnpike is collected. Other technologies or societal changes could have a similar detrimental effect on the Delaware Turnpike and the generation of Pledged Revenue.

Cyber-Attack Security

As a repository for personal, private and sensitive information, Delaware has an information security program in place for data and system protection. This program includes business continuity capabilities to ensure the availability of the systems and information that deliver essential services to the citizens of Delaware. Delaware has a centrally managed cyber security team that provides a threat detection and response service to protect each branch of government, including DelDOT. The team continuously monitors threat intelligence sources to prevent and mitigate cyber incidents. Delaware has perimeter and internal protections across the State's centralized network. State computers are equipped with Endpoint protection software with built-in breach detection and response capabilities. The State's cyber security risk management program encompasses employee training, vulnerability scanning, simulated phishing campaigns and targeted third-party penetration assessments. Additionally, vendors that interface with the State's systems are required to take appropriate security measures.

While the State conducts periodic tests and reviews of its networks, no assurances can be given that such security and operational control measures will be successful in guarding against all cyber threats and attacks. The results of any successful attack on the State's computers and information technology systems could impact its operations and damage the State's digital networks and systems, and the costs of remedying any such damage could be substantial and could have a material impact on the operations of the State.

It is the policy of the State to self-insure its exposures when cost effective and commercially insure on exposures that are specialized.

Market Liquidity Risks

Two credit rating agencies have been engaged to assign credit ratings to the 2022 Bonds. A rating is not a recommendation to purchase, hold or sell the 2022 Bonds, and does not address the market price or suitability of the 2022 Bonds for a particular investor. A rating on the 2022 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 Revenue.

The Authority cannot assure potential investors that an active market for the 2022 Bonds will develop. Even if a market for the 2022 Bonds does develop, depending on prevailing interest rates and market conditions generally, the 2022 Bonds could trade at a discount from their initial offering price. Holders of the 2022 Bonds may not be able to sell their 2022 Bonds in the future or such sale may not be at a price equal to or greater than the initial offering price of the 2022 Bonds. As a result, holders of the 2022 Bonds may not be able to liquidate their investment quickly or to liquidate it at an attractive price or at all.

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 Transportation Consultant's Traffic Report, are forward-looking statements. These statements are based on assumptions and analysis made by the Authority and the Transportation Consultant, 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 "OTHER INVESTMENT CONSIDERATIONS" caption of this Official Statement as well as additional factors beyond the Authority's control. The important risk factors and assumptions described under this 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 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.

TRANSPORTATION CAPITAL PROJECTS AND FINANCING PLANS

Capital Transportation Program

The Capital Transportation Program is a six-year planning document which is updated bi-annually by the Department, coordinated with the three Metropolitan Planning Organizations ("MPOs"), approved by the Council on Transportation and the first year of which is authorized by the General Assembly.

The Capital Transportation Program is presented as a plan to the Council on Transportation (the "Council" or "COT"), a nine-member citizen committee created by State law to serve as an advisor with respect to transportation matters to the Governor, the Secretary and the Authority. The Council has final approval of and adopts the Capital Transportation Program after holding public hearings. The Council may make priority changes to the proposed Capital Transportation Program in an open meeting by documenting the reasons and justifications for the changes. If the Council fails to adopt a Capital Transportation Program after a reasonable period of time, the Secretary may, with the approval of the Governor and with forty days prior written notice to the Chairperson of the Council, give final approval to the Capital Transportation Program. The first year is the basis for the Department's portion of the State's annual capital budget, which must be enacted into law before being implemented.

In preparing its capital spending plans through fiscal 2028, the Department has formulated its Capital Transportation Program by purpose and function for all modes of transportation. Listed below are the names and descriptions of each category which include transportation investments for all modes:

Road System:	Improvements to roads, bridges, and adjacent assets;
Grants and Allocations:	Municipal Street Aid and Community Transportation Funds;
Transit System:	Investments in transit services including buses, rail, facilities, and other assets supporting transit users;

Support System:	All other investments in the transportation network including facilities, equipment, information systems, etc.

As described above, the Department prepares estimates of capital needs for the current year and also for the ensuing years in the Capital Transportation Program. The Department, however, cannot undertake or commit to projects in the proposed six-year program without specific authorization by the State.

The Capital Program Prioritization Process

In fiscal 2014, the Department began using Decision Lens Software ("Decision Lens") to aid in the project prioritization process. Decision Lens allows the Department to use a more transparent, structured, and data driven decision process to achieve the organization's goals and mission. In using the software, the Department can define and prioritize the criteria used to rank projects using specific weighted goals. The result is a qualitative and quantitative rating system that measures projects against established priorities.

As of February 24, 2020, the current priorities as approved by the Council on Transportation include: Safety, System Operating Effectiveness, Multi-modal Mobility/Flexibility/Access, Revenue Generation/Economic Development/Jobs & Commerce, Impact on the Public/Social Disruption/Economic Justice, Environmental Impact/Stewardship, and coordinated State and Local Priorities. The technical evaluation of these priorities includes TREDIS and REMI software tools. These priorities enable Department leadership to easily evaluate alternatives, make decisions, justify those decisions and change course quickly when needed.

This process improves communication between the officials, government, and citizens while increasing decision efficiency, buy-in, and transparency. The software also provides the ability to quickly model various "what-if" scenarios to quickly react to what the future may bring, resulting in a process that is proactive and defensible.

Investment and Jobs Act (IIJA)/Bipartisan Infrastructure Law (BIL)

The Infrastructure Investment and Jobs Act (IIJA) also known as the Bipartisan Infrastructure Law (BIL), was signed into law by President Biden in November of 2021, authorizes $1.2 trillion in total for infrastructure and transportation. The Bipartisan Infrastructure Law is the largest long-term investment in our infrastructure and economy in our Nation's history. It provides $550 billion over fiscal years 2022 through 2026 in new Federal investment in infrastructure, including in roads, bridges, and mass transit, water infrastructure, resilience, and broadband. Specifically, with regard to transportation, the Bipartisan Infrastructure Law will repair and rebuild our roads and bridges with a focus on climate change mitigation, resilience, equity, and safety for all users, including cyclists and pedestrians; improve the safety of our transportation system; Improve healthy, sustainable transportation options for millions of Americans; Build a network of EV chargers to facilitate long-distance travel and provide convenient charging options; Modernize and expand passenger rail and improve freight rail efficiency and safety; Improve our nation's airports; and provide state and local governments with new and expanded competitive grant programs. Based on formula funding alone, Delaware expects to receive approximately $1.4 billion over five years in Federal highway formula funding for highways and bridges which represents a 33.4% increase in formula funding when comparted to the FAST Act. Also, anticipated is approximately $225 million over five years in Federal transit formula funding for federal public transportation programs in Delaware, which is a 25% increase over current funding levels.

Capital Program – Long Range Financial Planning

In fiscal 2012, DelDOT introduced its new initiative "TEAM DelDOT" with the intent of revitalizing the organization through the creation of a **T**ransparent, **E**fficient, **A**ccountable and **M**easured DelDOT. The goals of the initiative are as follows:

- *Transparent* – posting property acquisitions on the DelDOT website for public view;
- *Efficient* – providing quick and precise responses to earthquake and hurricane threats, and ensuring that projects are delivered on time and on budget;
- *Accountable* – providing DelDOT's performance metrics with the public via the new "dashboard" on the DelDOT website; and
- *Measured* – aiming to provide improved customer service which can be measured with established performance metrics.

During this same time, DelDOT proposed a different way of conducting business. Rather than program all of the projects DelDOT can afford, the new Capital Transportation Program will be based on what DelDOT can responsively and realistically deliver. The Capital Transportation Program will focus on maintaining the core transportation infrastructure, and maximizing Federal Funds, before considering advancing the Capital Transportation Program. DelDOT's commitment to reducing its $1.2 billion debt load and tightening spending priorities has decreased outstanding Senior Revenue debt to $666.1 million at the end of fiscal 2022. US 301 Toll Revenue Bond debt at the end of fiscal 2021 was $204.1 million.

During fiscal 2015, Secretary Cohan continued the debt-reduction strategy and was instrumental in gaining legislative approval of a new revenue package for the Transportation Trust Fund in fiscal 2016. The revenue package focused on increased Department of Motor Vehicle fees and is forecasted to generate $25 million annually for the TTF. The new fees were implemented on October 1, 2015. As a result of receiving new pledged revenue, DelDOT has been authorized to borrow up to $25 million annually for its capital program. In fiscal 2017, $75 million was issued. In fiscal 2020, with ample additional borrowing capacity, the decision was made to increase borrowing to continue building and maintaining the infrastructure, resulting in a new-money issuance of $137.1 million. In fiscal 2021, with the issuance of the 2020 Bonds, the Department deviated from its $75 million anticipated borrowing and increased its borrowing to $225 million. The decision to increase borrowing in fiscal 2021 was made in response to revenue losses from the COVID-19 pandemic. In fiscal 2023, with the issuance of the 2022 Bonds, the Department moved up their $75.0 anticipated borrowing from fiscal 2024 and increased the borrowing to $200.0 million. The decision to enact the earlier borrowing was due to the Infrastructure Investment and Jobs Act to assist with the shared costs of the various transportation projects across the State. The $25 million annual borrowing is forecasted to continue with borrowing of $75.0 million in fiscal year 2027.

Federal Funds

Level of Funding

The State has benefited from authorizations granted under federal laws. In fiscal 2022, the State received $285 million in FHWA and $35 million in Federal Transportation Administration ("FTA") funds under federal legislation.

The total federal funding anticipated under the fiscal 2023-2026 plan will be approximately $1.2 billion.

Application of Innovative Financing Techniques

As part of its capital programming process, the Department is currently reviewing the timing of federal apportionments to determine the potential expanded use of certain innovative financing techniques available with federal funding. The Department is currently making use of "advanced construction" in the programming of federal funds in an effort to accelerate some projects.

The Department has also performed a toll credit analysis and in January of 2022 received FHWA approval of $1.4 billion in state toll credits. The State's credits can be applied toward the non-Federal share of projects authorized under Title 23. The credits may also be used for transit projects authorized by

Chapter 53 of Title 49. The Department has identified eligible projects and has received Federal approval of the projects and has started to utilize the credits.

To help finance the new U.S. 301 Project, DelDOT applied for and received a Transportation Infrastructure Finance and Innovation Act Program (TIFIA) loan from the Federal Department of Transportation in an amount not to exceed $211,350,000. The loan closed on December 3, 2015 at an interest rate of 2.94%.

U.S. 301 Project

The new U.S. 301 Mainline is a four-lane tolled expressway from the Maryland state-line to Delaware SR1, south of the C&D Canal. This 14-mile roadway completed the "missing link" of limited access high speed roadway, designed to intercept existing traffic flows on US 301. The road provides a low cost, competitive route to I-95 through the Baltimore region and reduce traffic and congestion on local roadways in Middletown, Delaware. This limited access high-speed option facilitates long-distance travel passing through Middletown, Delaware, retain long-haul truck traffic on the toll road, and provides enhanced access with direct connections to the C&D Canal Bridges.

In December 2015, the Department and the Authority secured the final funding for the U.S. 301 Project with the following bond issues, both of which are Subordinate Indebtedness under the Agreement:

$212,535,000 U.S. 301 Project Revenue Bonds, Series of 2015 (the "Sr. 301 Bonds")

- 40 year maturity;
- senior lien on revenues generated from new U.S. 301 toll road;
- enhanced by a subordinate lien on the Pledged Revenue under the Agreement

Use of Sr. 301 Bond Proceeds

(i) finance only that portion of the U.S. 301 Project that consists of the construction and equipping of the new U.S. 301 Mainline;
(ii) pay capitalized interest on the Sr. 301 Bonds during construction;
(iii) make a deposit to the debt service reserve fund; and
(iv) pay the costs associated with financing the Sr. 301 Bonds

Up to $211,350,000 Subordinated U.S. 301 Project Revenue Bonds, TIFIA Series of 2015 (the "TIFIA 301 Bond")

- matures December 31, 2053;
- subordinate lien on revenues generated from new U.S. 301 toll road;
- enhanced by a subordinate lien on the Pledged Revenue under the Agreement

Use of TIFIA 301 Bond Proceeds

(i) finance eligible costs of the U.S. 301 Project

At 85-100% of the traffic and revenue forecast for U.S. 301, there is no negative impact on the TTF and on U.S. 301 generating sufficient revenues to pay debt service on the Sr. 301 Bonds and the TIFIA 301 Bond. This plan has sufficient revenues to cover all debt-service payments, the operating and maintenance expenses of the road and also fund a capital expense reserve account. At various levels throughout the 40 year term excess revenues are forecasted to be available to the TTF. There can be no assurance, however, that at lower traffic levels there would not be a financial impact on the TTF. US 301 opened to traffic on January 10, 2019.

Grant Anticipation Revenue Vehicle (GARVEE) Bond Issue

In June 2010, the Authority utilized the GARVEE Bond Program, under which the cost of the debt service is paid from federal funds. The 2010 GARVEE Bonds (defined herein) sold by the Authority are backed by the annual federal appropriations for federal-aid transportation projects and carry a 15-year term. The Authority was able to issue these bonds without the additional backing or pledge of any TTF revenues.

The Authority issued $113,490,000 of Grant Anticipation Bonds, Series of 2010 (the "2010 GARVEE Bonds"). Net proceeds of the 2010 GARVEE Bonds funded the completion of the design and the real estate acquisition for the U.S. 301 Project.

In October of 2020, the Authority issued $194,470,000 Grant Anticipation Bonds, Series 2020 (the "2020 GARVEE Bonds"). Net proceeds of the 2020 GARVEE Bonds funded a portion of the costs associated with the I-95 Rehabilitation Project and currently refunded all of the outstanding 2010 GARVEE Bonds.

Diamond State Port Corporation/GT USA Wilmington LLC

The Capital Transportation Program for fiscal 2002 contained a $27,500,000 loan which the TTF made to the Diamond State Port Corporation (the "Port Corporation") to enable the Port Corporation to prepay or refinance certain obligations which it owed to the City of Wilmington related to the Port Corporation's acquisition of the Port of Wilmington from the City. The Port Corporation was obligated to repay the loan to the TTF over a 20-year term, however, in September 2018, the Port Corporation signed a Concession Agreement with GT USA Wilmington, LLC (GT) which allows GT the right to commercially redevelop and operate the existing Port facilities and to develop, finance and operate new port facilities at Edgemoor for a term of 50 years. In exchange for GT's rights to operate, the Port Corporation will receive an annual concession fee and the Port Corporation and the State are released from further commitments to capital or operating funding. The Agreement closed on October 3, 2018. Under the Concession Agreement, GT assumed the obligation to make the loan payments to the TTF subject to certain deferral conditions. Port loan payments were deferred in fiscal years 2019, 2020, 2021, 2022 and for 2023 pursuant to House Bill 475 passed by the 151st General Assembly.

Line of Credit

In June 2021, the Authority issued its General Obligation note, Series 2021 (Revolving Line of Credit (the "2021 Note") to Manufacturers and Traders Trust Company (the "Bank") in a maximum principal amount of $100,000,000 to meet short-term cash flow needs when revenue receipts are not sufficient to cover current capital expenditures; it cannot be used for any debt-service or operating expenses.

Amounts advanced under the 2021 Note that are repaid may be advanced again during the Revolving Period, but the aggregate principal outstanding at any one time may not exceed $100,000,000. Principal on all amounts advanced is due on June 30, 2032 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. The 2021 Note bears interest on the amount which has been advanced from time to time at an annual rate equal to the greater of: (a) (80% x Daily LIBOR Rate) + 1.20% or (b) 0.96%. An annual unused fee equal to 0.08% on any undrawn portion of the note is charged by the bank to the Authority quarterly in arrears during the revolver term. Amounts due under the 2021 Note are unsecured general obligations of the Authority. The Authority may pre-pay any outstanding balance due under the 2021 Note at any time without penalty. As of the date of this Official Statements, the Authority has not requested any advance under the 2021 Note.

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.

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Base Financial Plan - Capital
Fiscal 2022 – Fiscal 2028 June DEFAC w/Borrowing
($ in 000s)

Sources of Funds	2022	2023	2024	2025	2026	2027	2028
Existing Pledged Revenue							
I-95 Tolls & Concessions	143,797	141,600	142,200	143,600	145,000	146,500	148,000
Motor Fuel Tax Admin.	136,686	143,600	146,100	148,300	147,500	149,700	152,000
DMV Fees	243,242	236,400	239,900	243,500	247,100	250,900	254,700
Interest Income	1,336	2,500	4,000	5,000	5,000	5,000	5,000
Total Pledged Revenue	**525,061**	**524,100**	**532,200**	**540,400**	**544,600**	**552,100**	**559,700**
Non-Pledged Revenues							
SR 1 Tolls	62,620	63,900	64,900	65,900	66,900	67,900	69,000
DE Transit (Farebox, FTA, & Other)	13,818	14,840	15,814	16,715	17,772	17,985	18,201
Port of Wilmington - Refinancing	-	-	1,067	1,110	1,154	1,480	1,540
US 301 Revenue Sharing	-	-	-	-	712	2,643	2,333
Other Transportation Revenue	9,560	9,200	9,200	9,200	9,300	9,300	12,800
Special Fund Transfers	(6,900)	(7,000)	(7,000)	(7,000)	(7,000)	(7,500)	(7,500)
Total Non-Pledged Revenue	**79,098**	**80,940**	**83,981**	**85,925**	**88,838**	**91,809**	**96,374**
Total Sources of Funds	**604,159**	**605,040**	**616,181**	**626,325**	**633,438**	**643,909**	**656,074**
Uses of Funds							
Debt Service							
DTA Bonds & Notes	89,391	86,907	79,406	71,332	67,547	63,491	59,047
New Debt Service (2)	-	6,400	17,166	17,166	17,166	17,166	23,604
CRRSSA Funding	(28,940)	(7,444)	-	-	-	-	-
Total Debt Service	**60,451**	**85,863**	**96,573**	**88,499**	**84,713**	**80,658**	**82,651**
Operations							
Department Operations	175,322	186,218	187,715	193,347	199,147	205,122	211,275
Delaware Transit Corp. Operations							
Delaware Transit Corp. Operations	121,963	130,743	132,143	136,107	140,190	144,396	148,728
Delaware Transit Corp. Operations – Federal Funding for Operations	(28,341)	(35,641)	(27,486)	(7,000)	(7,000)	(7,000)	(7,000)
Delaware Transit Corp. Operations - TOTAL	93,622	95,102	104,657	129,107	133,190	137,396	141,728
Total Operations	**268,944**	**281,320**	**292,372**	**322,454**	**332,337**	**342,517**	**353,003**
Total Uses of Funds Before Capital	**329,395**	**367,183**	**388,945**	**410,953**	**417,050**	**423,175**	**435,654**
State Resources Available for Capital	**274,764**	**237,857**	**227,236**	**215,372**	**216,388**	**220,733**	**220,420**
Beginning Capital Cash Balance	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Carry-over Cash Balance	121,900	96,566	214,334	155,728	89,122	22,517	32,706
Federal Funds	260,700	325,000	325,000	325,000	325,000	325,000	220,000
Anticipated Bond Proceeds	-	200,000	-	-	-	75,000	-
Total Funds Available for Capital Expenditures	**677,364**	**879,423**	**786,570**	**716,100**	**650,510**	**663,250**	**493,126**
Less:							
State Capital Expenditures	293,198	312,689	203,842	191,978	192,993	220,733	220,420
Carry-over Encumbrance Spend	6,900	7,400	82,000	90,000	90,000	64,811	25,000
Federal Capital Expenditures	240,802	306,643	306,654	306,669	306,680	306,696	201,707
GARVEE Debt-Service (Federal)	19,898	18,357	18,346	18,331	18,320	18,304	18,293
Total Capital Spending	**560,798**	**645,089**	**610,842**	**606,978**	**607,993**	**610,544**	**465,420**
Sub-Total	116,566	234,334	175,728	109,122	42,517	52,706	27,706
Carry Over Cash	96,566	214,334	155,728	89,122	22,517	32,706	7,706
Ending Capital Cash	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**

Pay Go Revenue	274,764	237,857	227,236	215,372	216,388	220,733	220,420
State Capital	300,098	320,089	285,842	281,978	282,993	285,544	245,420
Pay Go Percentage	91.6%	74.3%	79.5%	76.4%	76.5%	77.3%	89.8%
Additional Senior Bond Test	**5.87**(3)	**5.61**(3)	**5.47**	**6.05**	**6.37**	**6.78**	**6.71**
Debt Service as a % of Pledged Revenue (w/out US301)	**17.0%**(3)	**17.8%**(3)	**18.1%**	**16.4%**	**15.6%**	**14.6%**	**14.8%**

Source: Fiscal 2022 expenditure forecast derived from unaudited financial numbers; expenditure forecasts for fiscal years 2023-2028 prepared internally by the Department based on an assumed growth rate of 3% for the Department and 3% for the Delaware Transit Corporation.

(1) Net of $5 million of General Fund support for Department operations.
(2) Preliminary, subject to change.
(3) Calculation of Additional Senior Bonds Test and Debt Service as a % of Pledged Revenue for fiscal years 2022 and 2023 do not include CRRSSA Funding.

BOOK-ENTRY ONLY SYSTEM

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 2022 Bonds. The 2022 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 2022 Bond certificate will be issued for each maturity and interest rate of the 2022 Bonds, in the aggregate principal amount of the 2022 Bonds of such maturity and interest rate, 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 2022 Bonds are maintained in book-entry form with DTC, the following procedures will be applicable with respect to the 2022 Bonds.

Purchases of the 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2022 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 2022 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 2022 Bonds, except in the event that use of the book-entry system for the 2022 Bonds is discontinued.

To facilitate subsequent transfers, all 2022 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 2022 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 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2022 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 2022 Bonds, redemption notices will be sent to Cede & Co. If less than all of the 2022 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 2022 Bonds, principal or redemption price of, and interest payments on, the 2022 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 2022 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2022 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the financing documents. For example, Beneficial Owners of the 2022 Bonds may wish to ascertain that the nominee holding the 2022 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 2022 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 2022 Bonds are credited on the record date (identified in listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the 2022 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 2022 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 2022 BONDS: (I) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE 2022 BONDS, OR (II) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE 2022 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 2022 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 2022 BONDS; OR (V) ANY OTHER ACTION TAKEN BY THE SECURITIES DEPOSITORY OR ANY PARTICIPANT.

LITIGATION

There is no litigation pending or, to the knowledge of the Authority, threatened in any court or administrative body, questioning the enforceability of the Act, the statutes imposing the motor fuel taxes, the motor vehicle document fees, the motor vehicle registration fees, the Miscellaneous Transportation Revenue or the transfer of that revenue to the Authority, the existence of the Authority, the validity of the 2022 Bonds, or any proceedings of the Authority taken with respect to the issuance or sale thereof, or seeking to restrain or enjoin the issuance, sale, execution or delivery of the 2022 Bonds or questioning the power of the Authority to collect, pledge and assign revenue of the Delaware Turnpike, or to pay the 2022 Bonds as provided in the Agreement.

The Authority monitors any possible judicial proceedings that may arise and affect the TTF revenue sources as well as continues to review the impact, if any, such judicial decisions could have on the TTF revenue sources. If necessary, the Authority plans to take whatever action may be required with respect to any required revisions to the TTF revenue and expenditure plan, with the end result that there will be a revenue neutral impact on the TTF. In the event that any such changes require approval by the State, the Authority expects that the State will enact any such changes requested by the Authority.

INDEPENDENT AUDITORS AND TRANSPORTATION CONSULTANT

The financial statements (the "Financial Statements") of the Department of Transportation (an enterprise fund of the State of Delaware) for fiscal year ending June 30, 2021 have been examined by CliftonLarsonAllen LLP, independent auditor, whose report thereon appears therein. The Financial Statements are incorporated herein by reference and are available online at the Department of Transportation's section of the State's website at: https://accountingfiles.delaware.gov/docs/2021acfr.pdf. In addition, the Financial Statements have been submitted to the Municipal Securities Rulemaking Board (the "MSRB") via the Electronic Municipal Market Access System ("EMMA") (http://emma.msrb.org). Finally, copies are available by contacting the Department of Transportation, State of Delaware, 800 Bay Road, Dover, DE 19901. Other than the Financial Statements, none of the other information contained on the State's website is included by reference in this Official Statement. The auditor's report incorporated herein by reference is provided as a publicly available document. CliftonLarsonAllen LLP has not been requested to consent to such incorporation. CliftonLarsonAllen LLP has not been engaged to perform and has not performed, since the date of its report, any procedures on the Financial Statements addressed in that report. CliftonLarsonAllen LLP 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, 2021.

The Transportation Consultant's Traffic Report, prepared by Stantec Consulting Services, Inc., is included as APPENDIX D to this Official Statement. The Transportation Consultant's Traffic Report is based on historical data provided by the Authority and the Department of Public Safety and their own forecasts of population, and certain other factors. This Traffic Report has been included in this Official Statement in reliance on the Transportation Consultant's knowledge and experience in examining and projecting such matters. Unanticipated events and circumstances may occur which would affect the forecasts contained therein. Therefore, the actual results achieved during the forecast period may vary materially from those forecasted.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of the mathematical computations of (i) the adequacy of the maturing principal of and interest earned on the escrow securities together with other available funds held in the escrow account, to provide for the payment of the Refunded Bonds; and (ii) the "yield" on the escrow securities and on the 2022 Bonds, will be examined by PFM Asset Management LLC ("PFMAM"), as verification agent (the "Verification Agent"). PFMAM is a wholly-owned subsidiary of U.S. Bancorp Asset Management, Inc. which is a subsidiary of U.S. Bank National Association.

The computations will be based upon information and assumptions supplied by the Underwriter and the Financial Advisor on behalf of the Authority. The Verification Agent has restricted its procedures to examining the arithmetical accuracy of the computations and has not evaluated or audited the assumptions or information used in the computations.

FINANCIAL ADVISOR

PFM Financial Advisors LLC has served as financial advisor (the "Financial Advisor") to the Authority in connection with the sale of the 2022 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 2022 Bonds.

TRUSTEE

The Trustee for the holders of the 2022 Bonds, as well as the Authority's outstanding Senior Bonds, is Wilmington Trust Company. Wilmington Trust Company, as escrow agent, holds funds for the payment of certain defeased indebtedness of the Authority.

RATINGS

The 2022 Bonds have been given a rating of "AA+" (stable outlook) by Standard and Poor's Corporation and "Aa1" (stable outlook) by Moody's Investors Service, Inc. Reference is made to the manuals of both rating agencies for a complete description of its rating procedures and other rating categories.

A bond rating is not a recommendation to buy, sell or hold bonds. The rating represents a judgment as to the likelihood of timely payment of the 2022 Bonds according to their terms but does not address the likelihood of redemption or other payments of the 2022 Bonds prior to maturity. There is no assurance that any of the ratings will remain in effect for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of any of the ratings may have an adverse effect on the market price or marketability of the 2022 Bonds. Any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same.

LEGALITY FOR INVESTMENT

The Act provides that the 2022 Bonds are securities in which all officers of political subdivisions, administrative departments, boards and commissions of the State, all banks, bankers, savings banks and institutions, building and loan associations, trust companies, savings and loan associations, investment companies and other persons carrying on a banking business; all insurance companies, insurance associations and other persons carrying on an insurance business; all administrators, executors, guardians, trustees and other fiduciaries; and all other persons whatsoever who now are or may hereafter be authorized to invest in bonds or other obligations of the State, may properly and legally invest any funds, including capital, belonging to them or within their control.

The Act also provides that the 2022 Bonds may be properly and legally deposited with and received by any officer of the State, or of any political subdivision or agency of the State, for any purpose for which the deposit of bonds or other obligations of the State is now, or may hereafter be, authorized by law.

UNDERWRITING

The 2022 Bonds are being purchased by J.P. Morgan Securities LLC (the "Underwriter"). The Underwriter has agreed to purchase said 2022 Bonds at a purchase price of $241,267,409.90 (which is equal to the aggregate principal amount of $223,120,000.00 plus net original issue premium of $18,147,409.90 less underwriters' discount of $155,879.89). The Underwriter's obligation to make such purchase is subject to the approval of certain legal matters by Bond Counsel and certain other conditions.

The Underwriter reserves the right to change the initial prices of the 2022 Bonds in connection with the marketing of the 2022 Bonds and may offer and sell the 2022 Bonds to certain dealers (including dealers depositing the 2022 Bonds into investment trusts) and others at prices lower than the initial public offering price or prices set forth in the Official Statement.

The Underwriter and its 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 Underwriter and its 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 Underwriter and its 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 Underwriter and its 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.

CONTINUING DISCLOSURE UNDERTAKING

Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, (the "Rule") prohibits an underwriter from purchasing or selling municipal securities, such as the 2022 Bonds, unless it has determined that the issuer of such securities and/or other persons deemed to be material "obligated persons" (each, a "MOP") have committed to provide (i) on an annual basis, certain financial information, including financial information and operating data ("Annual Reports"), to each Nationally Recognized Municipal Securities Information Repository (a "NRMSIR") and the relevant state information repository (if any) and (ii) notice of various events described in the Rule, if material ("Event Notices"), to each NRMSIR or the Municipal Securities Rulemaking Board ("MSRB") and to any such state information repository.

The Authority will agree with the purchasers of the 2022 Bonds, by executing a supplement to the Continuing Disclosure Agreement executed in connection with the issuance of its 2019 Bonds prior to the issuance of the 2022 Bonds, to provide Annual Reports with respect to itself to each NRMSIR and to any Delaware information repository that is formed. The Authority has determined that there currently is no other MOP for purposes of the Rule. The Authority will provide Event Notices to the MSRB and to any Delaware information repository.

On December 5, 2008, the Securities and Exchange Commission amended the Rule by replacing the four NRMSIRs with the Electronic Municipal Market Access System ("EMMA") created by the MSRB beginning July 1, 2009. Pursuant to the Continuing Disclosure Agreement, the Authority shall file, or cause to be filed, with EMMA any filing required or permitted under the Continuing Disclosure Agreement

A form of the Continuing Disclosure Agreement appears as APPENDIX B to this Official Statement.

The Authority inadvertently did not link its audited financial statements for fiscal year 2020 with its 9-digit CUSIP numbers for the Authority's Transportation System Senior Revenue Bonds, Series 2020 and inadvertently did not link its operating data for fiscal year 2020 with its 9-digit CUSIP number for the Authority's Transportation System Senior Revenue Bonds, Series 2020, Series 2019, Series 2017, Series 2016, Series 2014 and Series 2012. As soon as the Authority became aware of this oversight, a correction was made and the Authority simultaneously filed a notice of late filing on EMMA. Except for the aforementioned, 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.

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 2022 Bonds. These provisions include, but are not limited to, requirements relating to the use and investment of the proceeds of the 2022 Bonds and the rebate of certain investment earnings derived from such proceeds to the United States Treasury Department on a periodic basis. These and other requirements of the Code must be met by the Authority subsequent to the issuance and delivery of the 2022 Bonds in order for interest thereon to be and remain excludable from gross income for purposes of federal income taxation. The Authority has made covenants to comply with such requirements.

In the opinion of Bond Counsel, interest (including accrued original issue discount) on the 2022 Bonds is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions. The opinion of Bond Counsel is subject to the condition that the Authority complies with all applicable federal income tax law requirements that must be satisfied subsequent to the issuance of the 2022 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 2022 Bonds to be so includable in gross income retroactive to the date of issuance of the 2022 Bonds. The Authority has covenanted to comply with all such requirements. Interest on the 2022 Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax; <u>however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.</u>

In addition to the matters addressed below, prospective purchasers of the 2022 Bonds should be aware that ownership of the 2022 Bonds may result in collateral tax consequences to certain taxpayers, including but not limited to, foreign corporations, certain S corporations, financial institutions, recipients of social security and railroad retirement benefits and property or casualty insurance companies. Bond counsel expresses no opinion regarding any other federal tax consequences related to the 2022 Bonds or the receipt of interest thereon. **Prospective purchasers of the 2022 Bonds should consult their own tax advisors as to the impact of these other tax consequences.**

Bond Counsel's opinion will be based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of delivery of the 2022 Bonds. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective.

<u>Alternative Minimum Tax</u>

<u>Interest on the 2022 Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax. However, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.</u>

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

The Code, subject to limited exceptions not applicable to the 2022 Bonds, denies the interest deduction for indebtedness incurred or continued to purchase or carry tax-exempt obligations, such as the

2022 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 2022 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 2022 Bonds maturing on July 1 in the year 2038 through 2042, inclusive, are herein referred to as the "Discount Bonds." In the opinion of Bond Counsel, under existing law, the difference between the initial public offering price of the Discount Bonds as set forth on the inside cover page and the stated redemption price at maturity of each such Bond constitutes "original issue discount", all or a portion of which will, on the disposition or payment of such Bonds, be treated as tax-exempt interest for federal income tax purposes. Original issue discount will be apportioned to an owner of the Discount Bonds under a "constant interest method", which utilizes a periodic compounding of accrued interest. If an owner of a Discount Bond who purchases it in the original offering at the initial public offering price owns that Discount Bond to maturity, that Bondholder will not realize taxable gain for federal income tax purposes upon payment of the Discount Bond at maturity. An owner of a Discount Bond who purchases it in the original offering at the initial public offering price and who later disposes of the Discount Bond prior to maturity will be deemed to have accrued tax-exempt income in a manner described above; amounts realized in excess of the sum of the original offering price of such Discount Bond and the amount of accrued original issue discount will be taxable gain.

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

The 2022 Bonds maturing on July 1 in the years 2023 through 2027, inclusive, 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 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 Premium Bonds.

Reportable Payments and Backup Withholding

The payments of interest on the 2022 Bonds will be reported to the Internal Revenue Service by the payor on Form 1099 unless the holder is an "exempt person" under Section 6049 of the Code. A holder who is not an exempt person may be subject to "backup withholding" at a specified rate prescribed in the Code if the holder does not file Form W-9 with the payor advising the payor of the holder's taxpayer identification number. Holders should consult with their brokers regarding this matter.

The payor will report to the holders and to the Internal Revenue Service for each calendar year the amount of any "reportable payments" during such year and the amount of tax, if any, with respect to payments made on the 2022 Bonds.

Delaware State Tax Opinion

In the opinion of Bond Counsel under existing statutes interest on the 2022 Bonds is exempt from personal and corporate income tax imposed by the State.

CHANGES IN FEDERAL AND STATE TAX LAW

Legislative or administrative actions and court decisions, at either the federal or state level, could have an impact on the treatment of interest on the 2022 Bonds for federal or state income tax purposes, and thus on the value or marketability of the 2022 Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or otherwise. It cannot be predicted whether or in what form any such proposals may be enacted or whether if enacted such proposals would apply to bonds issued prior to enactment. In addition, regulatory or other actions are from time to time announced or proposed which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the 2022 Bonds. It cannot be predicted whether any such regulatory or other actions will be implemented or whether the 2022 Bonds would be impacted thereby.

Purchasers of the 2022 Bonds should consult their own tax advisors regarding any pending or proposed legislation, regulations, litigation or other potential changes in law. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the 2022 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.

The Inflation Reduction Act, H.R. 5376 (the "IRA"), was signed into law by President Biden on August 16, 2022. The IRA includes a 15 percent alternative minimum tax to be imposed on the "adjusted financial statement income", as defined in the IRA, of certain corporations for tax years beginning after December 31, 2022. Under the IRA, interest on the 2022 Bonds is included in the "adjusted financial statement income" of such corporations for purposes of computing such alternative minimum tax.

Prospective purchasers of the 2022 Bonds should be aware that the ownership of tax-exempt obligations, such as the 2022 Bonds, may result in collateral federal income tax consequences. Such prospective purchasers should consult their own tax advisors as to the consequences of investing in the 2022 Bonds.

APPROVAL OF LEGAL PROCEEDINGS

The authorization and issuance of the 2022 Bonds are subject to the issuance of a legal opinion as to validity by Bond Counsel, Saul Ewing Arnstein & Lehr LLP, Wilmington, Delaware, whose legal opinion will be available at the time of the delivery of the 2022 Bonds. A complete copy of the proposed form of Bond Counsel opinion is contained in APPENDIX C hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Compensation paid to Bond Counsel is conditioned upon the successful issuance of the 2022 Bonds. Certain legal matters will be passed upon for the Authority by a Deputy Attorney General of the State of Delaware.

The agreement of the Authority with the holders of the 2022 Bonds is set forth in full in the Agreement, and neither any advertisement of the 2022 Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the 2022 Bonds. So far as any statements are made in this Official Statement involving estimates, projections or matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

[Remainder of this page intentionally left blank.]

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/ Nicole Majeski

Director of Finance

/s/ Charlanne Clymer

Transportation Trust Fund Administrator

/s/ Dawn Haw-Young

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APPENDIX A

Summary of Certain Provisions of the Agreement

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APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE AGREEMENT

The following is a general summary of certain provisions of the Agreement, Summaries of definitions of certain defined terms used in the Agreement and the Official Statement are also set forth below. Other terms defined in the Agreement or the Official Statement for which summary definitions are not set forth are indicated by initial capitalization. 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 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 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 Trustee permitting the Authority or the 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 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; and (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.

"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 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 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 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 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 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 Trustee that is with a bank or trust company (including the 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 Trustee in the sale or conversion to cash of the investments made with the moneys in the Funds, provided that the 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 Trustee, at the option of the 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 Trustee, at the option of the 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 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 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 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 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 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 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.

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 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 Trustee concerning the use of such money. The 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 Trustee an account designated the "Delaware Transportation Authority Rebate Account" (the "Rebate Account"). The 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 Trustee or any holder of a Bond. Upon receipt of written instructions from an Authorized Authority Representative, the 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 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 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 2017 Bonds unless the Authority board files a certificate with the 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 Trustee Receipts and Revenues of the Authority pledged to the 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 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 Trustee to declare the series of Bonds ensured by such Credit Facility to be immediately due and payable and directing the 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 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 Trustee, or the 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 Trustee, or the 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 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 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 Trustee is required to draw to effect an acceleration of the Bonds, the Trustee shall make the aforesaid declaration on the first Business Day on or after the occurrence of such Event of Default that the 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 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 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 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 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 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 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 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 2017 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 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 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 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 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 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 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 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 Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under the Agreement or exercising any trust or power conferred on the 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 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 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 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 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 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.

Trustee's Notice of Event of Default. The 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 Trustee assigned by the 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 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 Trustee. The 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 Trustee, and shall not affect any discretion or power given by any provisions of the Agreement to the 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 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 Trustee has notice thereof within the meaning of Section 10.05 of the Agreement, unless the Trustee shall have theretofore given a notice of acceleration pursuant to Section 9.01 ("Events of Default") of the Agreement, the 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 Trustee. Such Trustee shall also give notice of any Event of Default to any other Trustee appointed pursuant to the Agreement and such Trustee shall likewise give prompt notice to all holders of Outstanding Bonds for which it is acting as Trustee.

Trustee; Paying Agents

Acceptance of Trusts. The 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 Trustee for holders of Senior Bonds and/or Junior Bonds, the 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 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 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 Trustee shall, during the existence of an Event of Default of which the 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 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 Trustee shall not be answerable for the default or misconduct of any such attorney, agent, or employee selected by it with reasonable care. The 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 Trustee shall notify the Authority before selecting any agent to act on behalf of the 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 Trustee harmless against any liabilities which the 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 Trustee.

Good Faith Reliance. The 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 Trustee to be qualified in relation to the subject matter, and the 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 Trustee in and to the Trust Estate shall thereupon cease, terminate and become void. In such event, the 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 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 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 Trustee shall have given, or the Authority shall have given to the 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 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 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 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 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 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 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 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 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 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 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 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 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 Trustee shall enter into any Supplemental Agreement pursuant to this Section, there shall have been delivered to the 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 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 Trustee to enter into any Supplemental Agreement for any of the purposes of this Section, the 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 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 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 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 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 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 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 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 Trustee, to the same extent as if actually executed and delivered by the Authority and the 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 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 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 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 B

Form of Continuing Disclosure Agreement

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DELAWARE TRANSPORTATION AUTHORITY
TRANSPORTATION SYSTEM SENIOR REVENUE BONDS, SERIES 2019

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated as of September 10, 2019 (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 Authority's $137,135,000 Transportation System Senior Revenue Bonds, Series 2019 (the "**2019 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 Trust Agreement, which apply to any capitalized terms used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"**Additional Bonds**" shall mean any indebtedness of the Authority issued subsequent to the 2019 Bonds which the Authority has declared in writing to be covered by 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.

"**Authority**" shall mean The Delaware Transportation Authority, or any successor Obligated Person that assumes either by operation of law or by contract or both (i) the obligation to pay debt service on the Bonds and (ii) the obligations of the Authority under this Disclosure Agreement.

"**Bonds**" shall mean the 2019 Bonds and any 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.

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

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

"**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 2019 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 the 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 adopted 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**" shall mean the Department of Finance of the State of Delaware, to the attention of the Director of Bond Finance.

"**State Repository**" shall mean any public or private repository or entity designated by the State of Delaware as a state 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 between the Authority and Wilmington Trust Company, as amended.

"**2019 Bonds**" shall mean the Authority's $137,135,000 aggregate principal amount General Obligation Bonds, Series 2019 dated September 10, 2019.

SECTION 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than the first day of the eighth calendar month immediately following the end of the Authority's fiscal year, provide to the State and each Repository 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 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 Repositories by the date required in subsection (a), a Notice Event pursuant to Section 5(a)(17) 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 date for providing the Annual Report the name and address of each Repository; and (ii) file a report with the Authority certifying that the Annual Report has been filed pursuant to this Disclosure Agreement, stating the date it was provided and listing all the Repositories to which it was provided.

(d) Audited financial statements of the Authority not submitted as part of the Annual Report shall be provided to each 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 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 information required 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 each of the Repositories 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 information described in Section 4(a) above 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 Significant 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 Bondholders, if material;

8. Bond calls (other than mandatory sinking fund redemption), if material, and tender offers;

9. Defeasance 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 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;

15. Incurrence of a Financial Obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or

other similar terms of a Financial Obligation of the Authority, any of which affect security holders, if material;

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Authority, any of which reflect financial difficulties; and

17. Failure to provide annual financial information as required.

(b) Upon the occurrence of a Notice Event, the 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 Depository 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 provisions 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 Trust Agreement, 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 of 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 be 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 to this Disclosure Agreement or any covenants, conditions or provisions contained herein.

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

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

DELAWARE TRANSPORTATION AUTHORITY

(SEAL)

By: ____
Transportation Trust Fund Administrator

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 incorporated by reference to the Authority's Official Statement with respect to the 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. 7);

(b) Summary Results (p. 11);

(c) History of Gallonage and Revenue from Motor Fuel Taxes (p. 27);

(d) Vehicle Trips and Delaware Turnpike Revenue (p. 32);

(e) Delaware Turnpike Barrier Tolls (p. 34);

(f) Route 1 Toll Schedule and the amount of toll revenue received from the Route 1 Toll Road during the prior fiscal year (pp. 36-37);

(g) History of Motor Vehicle Document Fees (p. 38);

(h) History of Motor Vehicle Registrations and Revenue (p. 42); and

(i) History of Miscellaneous Transportation Revenue (p. 46);

3. A statement of the proposed capital authorizations which have been approved for the current fiscal year (p. 52).

DELAWARE TRANSPORTATION AUTHORITY
TRANSPORTATION SYSTEM SENIOR REVENUE BONDS, SERIES 2022

SUPPLEMENT TO CONTINUING DISCLOSURE AGREEMENT

This Supplement to Continuing Disclosure Agreement, dated September ___, 2022 (the "**2022 Supplement**"), is executed and delivered by the Delaware Transportation Authority (the "**Authority**") in connection with the issuance of the Authority's Transportation System Senior Revenue Bonds, Series 2022 (the "**2022 Bonds**").

WHEREAS, the Authority has previously entered into a Continuing Disclosure Agreement dated as of September 10, 2019 (the "**Original Disclosure Agreement**"), as heretofore and herein supplemented (hereinafter collectively referred to as the "**Disclosure Agreement**"), in which the Authority agreed to take certain actions in order to assist the Participating Underwriter (as defined in the Original Disclosure Agreement) in complying with S.E.C. Rule 15c2-12(b)(5) (the "**Rule**"); and

WHEREAS, pursuant to Section 2 of the Original Disclosure Agreement, the Authority has the ability to supplement the Original Disclosure Agreement to include additional bonds with the same force and effect as if all terms and provisions of such Original Disclosure Agreement had originally provided for the inclusion of such bonds.

NOW, THEREFORE, the Authority, intending to be legally bound, hereby covenants and agrees as follows:

SECTION 1. Written Declaration of Authority. The Authority has determined that the 2022 Bonds shall constitute "Additional Bonds" under the Original Disclosure Agreement.

SECTION 2. Original Disclosure Agreement Applicable to 2022 Bonds. This 2022 Supplement shall be construed as a supplement to the Original Disclosure Agreement and shall be governed by the provisions thereof. Except as hereby supplemented and amended, all the terms, covenants and conditions of the Original Disclosure Agreement are hereby confirmed, ratified and approved in all respects, shall continue in full force and effect, and shall apply to the 2022 Bonds with the same force and effect as if all terms and provisions of the Original Disclosure Agreement had originally provided for the inclusion of the 2022 Bonds. Capitalized terms used but not defined herein shall have the same meanings as ascribed to them in the Original Disclosure Agreement.

SECTION 3. Governing Law. This 2022 Supplement shall be deemed to be a contract made under the laws of the State of Delaware, and all provisions hereof shall be governed and construed in accordance with the laws of the State of Delaware, without reference to the choice of law principles thereof.

IN WITNESS WHEREOF, the Delaware Transportation Authority has caused this 2022 Supplement to be duly executed as of the day and year first above written.

DELAWARE TRANSPORTATION AUTHORITY

(SEAL)

By: ______________________________________
Transportation Trust Fund Administrator

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APPENDIX C

Proposed Form of Opinion of Bond Counsel

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_________, 2022

DELAWARE TRANSPORTATION AUTHORITY
TRANSPORTATION SYSTEM SENIOR REVENUE BONDS, SERIES 2022

TO THE PURCHASERS OF THE ABOVE-CAPTIONED BONDS:

We have acted as bond counsel in connection with the issuance on the date hereof by the Delaware Transportation Authority (the “Authority”), a body politic and corporate constituting a public instrumentality of The State of Delaware (the “State”), of its $223,120,000 Delaware Transportation Authority Transportation System Senior Revenue Bonds, Series 2022 (the “Bonds”). The Bonds are dated the date of issuance, and 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 (collectively, the “Act”), a Trust Agreement dated as of August 1, 1988, by and between the Authority and Wilmington Trust Company, a State banking corporation (“WTC”) (WTC, not in its individual capacity but solely as trustee, the “Trustee”), as amended and supplemented, including by Supplemental Agreement No. 32, dated September 1, 2022 (the “Trust Agreement”), and a resolution of the Authority dated August 23, 2022 (the “Resolution”), and other laws of the State, for the purposes of paying the costs of certain capital projects and refunding of certain outstanding bonds, funding a deposit to the debt serve reserve fund and paying the costs of issuing the Bonds.

As bond counsel, we have examined an executed counterpart of the Trust Agreement, a certified copy of the Resolution, the form 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 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.

(2) The 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 Trust Agreement and the Trust Agreement constitutes a legal, valid and binding obligation of the Authority enforceable against the Authority in accordance with its terms.

(4) The Bonds 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 Resolution and the Trust Agreement.

(5) Interest (including accrued original issue discount) on the Bonds 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 for purposes of federal alternative minimum tax; <u>however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.</u> We express no opinion regarding other federal tax consequences relating to the Bonds or the receipt of interest thereon.

(6) Under existing statutes, the Bonds, interest on the Bonds and their transfer shall be exempt from taxation by the State and its political subdivisions, except for estate, inheritance or gift taxes imposed by the State.

The foregoing opinions relating to the enforceability against the Authority of the Resolution, the Trust Agreement and the Bonds are qualified to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights and remedies of creditors generally, and general principles of equity.

APPENDIX D

"Traffic & Revenue Report, I-95/Delaware Turnpike and SR 1 Toll Road" dated June 28, 2022

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Traffic & Revenue Report
I-95/Delaware Turnpike and SR 1

June 28, 2022

Prepared for:

Delaware Department of Transportation

Prepared by:

Stantec Consulting Services, Inc.

Revision	Description	Author	Quality Check	Independent Review
1	Initial Report Preparation	Julie DiGennaro, Caroline Drenkard	Markus Kusuma	Markus Kusuma
2	Final Draft Report Preparation	Julie DiGennaro, Caroline Drenkard	David Schellinger	Phil Eshelman
3	Final Draft Report - Comment Response	David Schellinger	Markus Kusuma	

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1.0 INTRODUCTION

In accordance with your request, Stantec Consulting Services Inc. (Stantec) is pleased to provide the Delaware Transportation Authority ("the Authority") these estimates of traffic and revenue for the Turnpike (Interstate-95/I-95, or "the Turnpike") and the State Route (SR) 1 Toll Road through Fiscal Year (FY) 2028, related to the issuance by the Delaware Transportation Authority Transportation System Senior Revenue Bonds Series 2022.

As described in this letter report, the estimates for the Turnpike are based on its actual traffic and earnings record from its opening in 1963 through May 2022 and on a series of comprehensive studies of traffic patterns and revenue trends undertaken over the course of the Turnpike's 59 years of operation. For SR 1 Toll Road, the estimates are based on its actual traffic and revenue record since the opening of the first section of the project in December 1993 through its staged construction, completed by May 2003 when the final section of the road was opened, and – as with the Turnpike – through May 2022. It should be noted that the traffic and revenue forecasts are based on the reported transactions and revenue provided on a monthly basis and do not include any revenue from E-ZPass violation fees. It should also be noted that the monthly statistics are unaudited values and there may be minor differences when compared to final audited values. For these reasons, there may be some variation with the other estimates provided to the Delaware Economic and Financial Advisory Council (DEFAC) for their forecasts.

Several factors have had a significant impact on traffic on the toll roads in the last roughly twenty years. These include the 2005 and 2007 toll increases; the Great Recession from 2007 to 2009 and its lingering effects; severe weather events such as Superstorm Sandy in October 2012 and several harsh winter storms; and the increase in fuel prices in 2008 and 2011. In addition, the opening of U.S. Route 301 (US 301) Toll Road in January 2019 has also influenced traffic on the toll facilities. Most recently, the COVID-19 pandemic (the pandemic) impacted toll road traffic significantly, with a reduction in traffic at some toll locations in excess of 50 percent when it first began, in March and April 2020. While there has been significant improvement in toll road traffic, the impacts of the pandemic are still ongoing over two years later. Historical traffic on I-95 and SR 1 are discussed further in Section 3.0.

In July 2020, Stantec assessed potential impacts to previously estimated revenue totals on the Turnpike and SR 1 Toll Road (revenues through FY 2023 [this fiscal year is defined as July 2022 through June 2023] were estimated in September 2016 and later updated in July 2019). Stantec prepared two potential scenarios to provide a range of estimates that would reflect the uncertainty of the depth and duration of COVID-19 outbreak: one scenario for the "less severe / shorter recovery duration" condition and a second scenario for the "more severe / longer recovery duration" condition. In the 2020 report, these two sets of estimates were referred to as the shorter recovery scenario and the longer recovery scenario, respectively. Table 1-1 shows the percent differences between Stantec estimated and actual revenue values from the last three complete fiscal years – FY 2019 to FY 2021. Since actual data for FY 2020 and FY 2021 aligned closer to the shorter recovery scenario estimates than the longer recovery scenario estimates, only the shorter recovery scenario estimates are shown for 2020 and 2021 Report values in Table 1-1.

TRAFFIC & REVENUE REPORT I-95/DELAWARE TURNPIKE AND SR 1

Introduction

In FY 2019 actual toll revenue on I-95 was 1.5 percent lower and concession revenue was 3.7 percent lower than July 2019 Update Letter projections. SR 1 actual toll revenue was 3.1 percent higher than projections for the same time period. Overall, for both roadways combined, actual revenues were approximately equal to Stantec's July 2019 Update Letter estimates. In FY 2020 and FY 2021, actual toll revenue outperformed Stantec's shorter recovery scenario estimates on both roadways while I-95 concession revenue was lower than estimated for both fiscal years. Overall, actual combined FY 2020 and FY 2021 revenues for the two roads was 2.4 percent above and 10.5 percent above estimated FY 2020 and FY 2021 revenues, respectively.

Table 1-1: Stantec Estimate vs. Actual Revenue (in thousands), FY 2019 – 2021

Fiscal Year		I-95/Delaware Turnpike		SR 1	Total
		Toll Revenue (000)	Concession Revenue (000)	Toll Revenue (000)	
2019	Report	$ 125,406	$ 2,479	$ 62,346	$ 190,231
	Actual	$ 123,492	$ 2,387	$ 64,270	$ 190,149
	% Diff	**-1.5%**	**-3.7%**	**3.1%**	**0.0%**
2020	Report	$ 107,815	$ 1,995	$ 55,233	$ 165,043
	Actual	$ 110,634	$ 1,584	$ 56,821	$ 169,039
	% Diff	**2.6%**	**-20.6%**	**2.9%**	**2.4%**
2021	Report	$ 100,315	$ 1,820	$ 49,466	$ 151,601
	Actual	$ 107,788	$ 1,360	$ 58,423	$ 167,571
	% Diff	**7.4%**	**-25.2%**	**18.1%**	**10.5%**

Notes:

- 2019 Report values were obtained from the July 2019 Update Letter, Traffic & Revenue Forecasts for I-95/Delaware Turnpike and SR 1 Toll Road
- 2020 and 2021 Report values were obtained from the July 2020 Traffic & Revenue Report for I-95/Delaware Turnpike and SR 1 Toll Road. Estimates referenced are the shorter recovery scenario estimates.

2.0 DELAWARE TOLL ROAD SYSTEM

Three toll roads comprise the toll road system in Delaware: The Turnpike, SR 1, and US 301 Toll Road. The system is composed of four mainline toll plazas (one on the Turnpike, two on SR 1, and one on US 301 Toll Road) and six tolled-ramp locations (three along SR 1 and three along US 301 Toll Road). The three toll roads and respective toll plazas are described herein. As previously mentioned, this report does not include the estimation of US 301 Toll Road revenue even though this toll facility is included in the discussion of the Delaware toll road system in this chapter. The three Delaware Toll System toll roads are displayed in Figure 2-1.

2.1 I-95 DELAWARE TURNPIKE

The 11-mile portion of I-95 in Delaware, the Turnpike, is a key link in the Northeast Corridor's I-95 route from New England, New York, Philadelphia, and Wilmington to Baltimore, Washington, D.C., and points further south. It forms the trunk of the system, whose branches northward include I-95 to Wilmington, Philadelphia, and Trenton; I-295 and the New Jersey Turnpike going north to Trenton and New York; and I-495 going north toward Philadelphia via the Port of Wilmington. To the south, the Turnpike connects directly to I-95 in Maryland for travel to Baltimore and beyond.

The Turnpike interchanges in the northern New Castle County are located, from north (east) to south (west), at State Route 141, State Route 1 and State Route 7 (the two state routes meet just south of the interchange), State Route 273, and State Route 896. The SR 1/7 connection leads to the SR 1 Toll Road in Tybouts Corner to the south, while SR 896 connects with US 301 in Armstrong to the south.

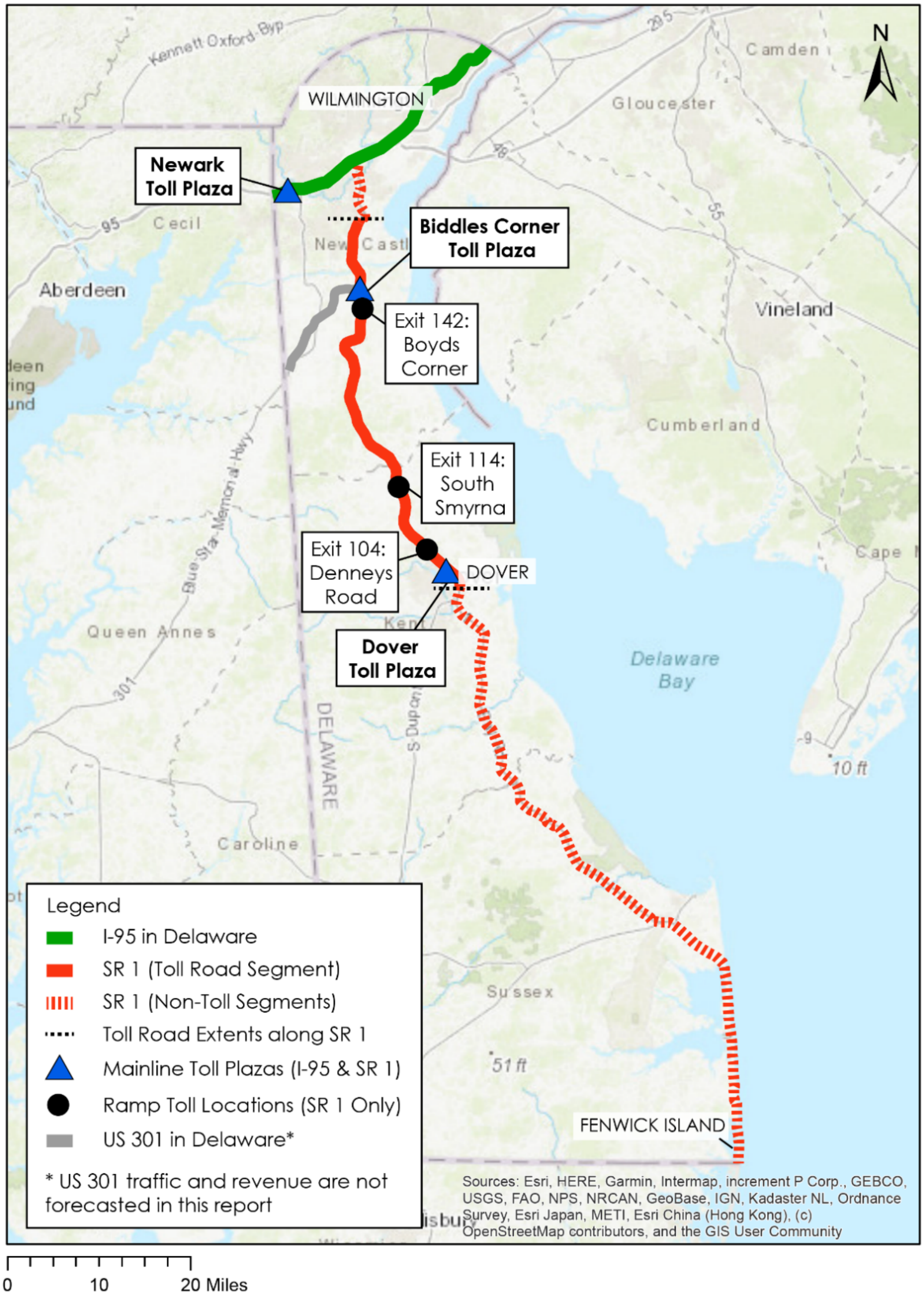
The Turnpike serves both long-distance Northeast Corridor traffic and commuter traffic between Wilmington and Newark (via SR 896). The Turnpike consists of 10 lanes between SR 141 and SR 1 and transitions down to eight lanes further south (west) between SR 1 and the Newark toll plaza. South (west) of the Newark Plaza, the number of lanes drops to six, coinciding with the six lanes on I-95 in Maryland.

2.1.1 History

A single Turnpike toll plaza (the Newark Plaza) is located between SR 896 and the Maryland state line. The Newark toll plaza currently has a total of 18 toll lanes, of which four are dedicated E-ZPass lanes, an additional four are high-speed E-ZPass lanes, and the remaining 10 are full-service lanes allowing for cash toll collection. The high-speed E-ZPass lanes, constructed in July 2011, reduced delays at the toll plaza which were previously caused by capacity constraints.

A service plaza with fuel and restaurant facilities is located in the median of the Turnpike between the SR 273 and SR 896 interchanges, generating concession revenue for the Authority. The service plaza was reconstructed in FY 2010 and was reopened to patrons on June 25, 2010.

Figure 2-1: Map of the Delaware Toll Road System



When the Turnpike opened to traffic in 1963, the accompanying toll collection system consisted of the single mainline plaza in Newark near the Maryland state line and three ramp tolls at SR 896, SR 273, and SR 7. These four toll locations formed a “closed” toll system with all Turnpike users paying at one point or another. The ramp tolls were removed in 1976, allowing local users who do not travel into Maryland to use the Turnpike toll-free.

2.1.2 Current Tolling System

Tolls at the Newark Plaza have increased periodically (in 1977, 1981, 1984, 1989, 1993, 1999, 2005, and 2007) since the initial 30-cent base toll (30 cents for two-axle passenger cars and higher toll rates for trucks) introduced in 1963. Table 2-1 provides a summary of the current toll schedule for the Turnpike at the Newark toll plaza and compares current tolls to the toll schedule in place between 2005 and 2007, prior to the latest toll increase. Note that patrons are charged the same rate regardless of payment method (i.e., whether they pay with cash or with an E-ZPass account).

Table 2-1: Tolls on the Turnpike

Vehicle Type	Tolls		Percent Change
	10/1/05 Through 9/30/07	Effective 10/1/07	
Passenger Cars (2-Axle)	$ 3.00	$ 4.00	33%
3-Axle	$ 5.00	$ 6.00	20%
4-Axle	$ 6.00	$ 7.00	17%
5-Axle	$ 8.00	$ 9.00	13%
6-Axle	$ 10.00	$ 11.00	10%
Permit	$ 10.00	$ 11.00	10%

From the perspective of long-distance travelers, for the full-length 11-mile stretch of the Turnpike from SR 141 to the Maryland state line, the two-axle toll rate is effectively 36.4 cents per mile. While this seems high, the 13-mile section of I-95 north of SR 141 is toll-free, thereby reducing the overall (24-mile) rate to 16.7 cents per mile.

Since the Turnpike section of I-95 connects directly with I-95 in Maryland, it is useful to compare the two toll schedules. For passenger vehicles, round trip cash toll rates are equal. While there are no discount rates at the Newark Plaza, there are commuter and E-ZPass discount rates on I-95 in Maryland at the John F. Kennedy Memorial Highway/Susquehanna River Crossing (JFK/Susquehanna) toll plaza for customers with valid E-ZPass Maryland accounts driving two-axle vehicles. Truck tolls vary significantly between the two toll plazas. After the last revision of the I-95 Delaware Turnpike toll rates in 2007, the Maryland Transportation Authority (MDTA) increased truck tolls significantly at all toll facilities, including I-95 in Maryland in May 2009. Following this, a series of toll rate increases was implemented on I-95 whereby tolls increased by 60 percent for all classification types. Passenger car cash tolls initially increased from $5.00 to $8.00 although, effective July 1, 2015, the passenger car E-ZPass discount rate at JFK/Susquehanna

Plaza decreased from $7.20 to $6.00. Five-axle cash and E-ZPass tolls increased from $30.00 to $48.00 and, effective July 1, 2013, video tolling (pay by plate) was implemented for multi-axle trucks. The video toll price for five-axle trucks is $63.00 compared to $48.00 for cash-paying customers. On March 17, 2020, in response to the pandemic, the MDTA adjusted all standard video toll rates down to the cash/base rates at toll facilities that were accepting cash as of March 17. On January 1, 2021, standard video toll rates resumed statewide at all MDTA toll facilities.[1]

Round-trip tolls on I-95 in Delaware and Maryland for two-axle passenger vehicles and for the long-distance five-axle trucks – the most predominant of multi-axle commercial vehicles – are compared in Table 2-2. Round-trip tolls are shown because Maryland tolls are collected in the northbound direction only, while Delaware Turnpike tolls are collected in both directions.

Table 2-2: Comparative I-95 Tolls (DE vs. MD) as of June 2022

Vehicle Class	Representative Round Trip Tolls	
	Newark Plaza (1)	JFK/Susquehanna Plaza(2)(3)
2-Axle	$8.00	$6.00 E-ZPass MD(4)
		$8.00 non-MD E-ZPass
		$12.00 video(5)
5-Axle	$18.00	$48.00 E-ZPass(6)
		$63.00 video(5)(7)

Notes:
(1) Tolls effective October 1, 2007; round trip tolls shown
(2) Tolls effective July 1, 2015; collected northbound only
(3) As of August 2020, all-electronic tolling (AET) - which was introduced at the JFK/Susquehanna Plaza at the start of the pandemic - became permanent; as such, cash is no longer accepted at the JFK/Susquehanna Plaza
(4) Commuter discount plan available for 2-axle vehicles using MD EZ-Pass, $70 for 25 trips within 45 days; commuter northbound-only toll is $2.80
(5) Video toll collection rates were adjusted down to the cash/base rates from March 17, 2020, through December 31, 2020
(6) Applies for E-ZPass Maryland and non-Maryland E-ZPass accounts
(7) Five-axle video toll collection rates effective July 1, 2013

One-way tolls have been considered at the Turnpike's Newark Plaza and rejected due to the network of alternative routes crossing the state line between Delaware and Maryland. While Maryland has the Susquehanna River as a natural barrier with limited crossing points, there are no natural barriers between Delaware and Maryland to deter alternative routing. A doubling of the toll at the Newark Plaza in one

[1] https://mdta.maryland.gov/blog-category/mdta-news-releases/reminder-standard-video-toll-rates-apply-statewide-january-1-2021

direction could induce significant traffic diversions, particularly by trucks, as drivers opt for less expensive alternatives.

The Delaware toll agencies (namely the Delaware Department of Transportation, the Delaware River and Bay Authority, the Delaware River Joint Toll Bridge Commission, and the Delaware River Port Authority) are members of the E-ZPass Interagency Group (IAG). The E-ZPass IAG was founded in 1993 to enable customers of the member IAG agencies to use their E-ZPass tags on any E-ZPass-equipped toll facility operated by another IAG member. The IAG now encompasses 34 toll agencies in 19 states and processes billions of transactions per year; in 2021, over 3.6 billion toll transactions were processed and more than 49 million transponders were in circulation. As the IAG has grown, the E-ZPass customer base has increased, thereby increasing E-ZPass usage on Delaware toll facilities.

2.2 SR 1 TOLL ROAD

The SR 1 Corridor extends approximately 100 miles, nearly the full length of the state, from the northern terminus of the Turnpike in New Castle County to the southern terminus of the Maryland state line where Fenwick Island in Sussex County meets Ocean City, Maryland. Within the corridor, the SR 1 Toll Road has three distinct components:

- The six-mile toll-free highway section from the Turnpike in Christiana to the junction with US 13 in Tybouts Corner,
- The 41-mile toll road section known as the Korean War Veterans Memorial Highway from Tybouts Corner to the junction with US 113 south of Dover Air Force Base (AFB), and
- The 50-mile toll-free at-grade divided arterial section (except for the bypass of Milford which includes grade-separated connections to/from SR 1) from Dover AFB to the southern terminus at the Maryland state line.

2.2.1 History

Until the openings of the freeway and toll road sections between the Turnpike and Dover, US 13 was essentially the only direct arterial route down the middle of the state (through the congested segments in Odessa, Smyrna, and Dover), serving both inter-city traffic and local traffic within each community. Right-of-way available to significantly increase the capacity of US 13 was limited, and levels of service were already intolerable, especially on summer weekends. The solution was a new expressway on separate right-of-way, with toll financing for the middle section. This section, the SR 1 Toll Road, is the highway "spine" of the north-south corridor. It consists of two lanes in each direction with room for expansion to three lanes in each direction.

The SR 1 Toll Road from Tybouts Corner to US 113 south of Dover AFB (i.e., the Korean War Veterans Memorial Highway portion of SR 1), was constructed in the following stages over a period of 10 years:

- The first section of the toll road opened to traffic was the southernmost 17-mile section from US 13 north of Smyrna to US 113 south of Dover in December 1993. This section, which provides a bypass of both Dover and Smyrna, contains one mainline toll plaza (the Dover Plaza) and tolls on the northerly interchange ramps at Denneys Road (Dover-north) and Smyrna-south.

- The next section that was opened, in December 1995, was the northern five-mile section from the existing freeway section in Tybouts Corner, over the Chesapeake and Delaware (C&D) Canal to a temporary tie-in to US 13 (at that time) south of the canal. No tolls were collected on this section of the SR 1 Toll Road while the temporary tie-in was still in operation.

- The two-mile extension from the temporary southern terminus south of Dover (north of Dover AFB) to south of Dover AFB was opened to traffic in January 1999. No additional tolls are collected in this section because traffic on the extension funnels through the Dover Plaza.

- The northern section of the SR 1 Toll Road was extended south another nine miles in November 1999, from just south of the C&D Canal to US 13 south of Odessa, with the segment bypassing Odessa. This section has a mainline toll plaza (the Biddles Corner Plaza) located two miles south of the canal and tolls on the two southerly ramps of the diamond interchange at SR 896 (Boyds Corner Road). West of Odessa (on the bypass), an interchange is provided at SR 299 where the southerly ramps are currently toll-free. Prior to the opening of US 301 Toll Road in Delaware in 2019, a toll-free outlet was provided just south of the canal (via the tie-in to US 13) in the vicinity of Lorewood Grove Road (southbound exit and northbound entrance ramps). These ramps allowed motorists traveling from / to the south to use the canal bridge without paying a toll since the Biddles Corner Plaza was located south of these ramps. Most recently, ramps to and from the recently completed US 301 Toll Road (which opened in January 2019) allow motorists to enter and exit SR 1 just north of the Biddles Corner Plaza

- The Puncheon Run Connector, a two-mile spur connecting SR 1 with US 13 south of Dover, was opened to traffic in December 2000. While there is no toll collected on the spur itself, the Connector has induced greater usage of SR 1 Toll Road through the Dover Plaza.

- The last section, the seven-mile gap between Smyrna-north and Odessa-south, was opened in May 2003, completing the 41-mile toll road.

The SR 1 Toll Road, as mentioned previously, provides the key link in Delaware’s north-south corridor, with some 15 interchanges serving local traffic as well as through travel between Tybouts Corner and Dover. US 13 remains available for local traffic within and between the cities that are bypassed by SR 1. However, since US 13 is currently the main arterial street through Dover, Smyrna, and Odessa, with its shopping malls and strip development that increased the congestion along the corridor, it is estimated most of the traffic growth in the corridor has and will occur on SR 1. With the opening of US 301 Toll Road, this roadway will also somewhat serve as an alternative route to SR 1, especially for the northern segment of SR 1. However, it should be noted that US 301 Toll Road and its extension into Maryland is not a direct competitor to SR 1 as it is oriented towards northeast-southwest direction while SR 1 has a north-south orientation.

The north-south corridor is also served, marginally, by three other routes that cross the C&D Canal: SR 9 to the east; SR 896-71/US 301 (via the Summit Bridge) to the west; and SR 213 in Maryland. Currently, none of these routes is a significant competitor to SR 1; in fact, SR 71 merges back into US 13 at Blackbird, midway between Odessa and Smyrna.

2.2.2 Current Tolling System

The barrier/ramp setup on the SR 1 Toll Road includes a combination of two mainline plazas (Biddles Corner Plaza near the north end and Dover Plaza near the south end) and three sets of ramp tolls in between the two mainline plazas (SR 896/Boyds Corner to/from the south, Smyrna-south to/from the north, and Denneys Road/Dover-north to/from the north). Tolls are collected in each direction at each of these locations. With the implementation of E-ZPass on the SR 1 Toll Road in April 1999, the Delaware Department of Transportation (DelDOT) established a system that allows for the per-mile tolling of E-ZPass users through transponder detection at all entry/exit points instead of only at the toll plaza/toll ramp location.

On October 1, 2007, ramp plaza tolls for vehicles with three or more axles were increased from previous levels. Since then, the tolls for cash and E-ZPass transactions at ramp plaza locations (Boyds Corner, Denneys, and Smyrna) have remained constant. On August 1, 2014, weekend toll rates were increased by $1.00 for all vehicle types, except passenger cars utilizing the Frequent Traveler Program, at the mainline plazas (Biddles Corner and Dover); thus, tolls on weekends (starting at 7PM Friday and ending at 11PM Sunday) are currently $1.00 higher than weekday tolls. These toll rate changes are presented in Table 2-3.

The Frequent Traveler Program provides a 50 percent discount off the cash tolls for two-axle vehicles using E-ZPass on SR 1 Toll Road for 30 or more trips during a 30-day period. A trip is counted towards the program when a toll is charged against a customer's account, regardless of entry and exit. Once applicable, discount adjustments are made through the toll calculation process at the Customer Service Center. The frequency-of-use provision only applies to non-commercial two-axle vehicles.

The commercial vehicle E-ZPass program provides a 25 percent discount for vehicles with three or more axles and does not require customers to meet a minimum number of trips. The discounted tolls for passenger cars and trucks are available during weekends. The prior and current toll plans for the five toll locations are summarized in Table 2-3.

Table 2-3: SR 1 Toll Rates

Vehicle Class	Mainline Plazas (Biddles and Dover)			Ramp Plazas			
	Weekday(1)	Weekend (2)		Boyds and Denneys		South Smyrna	
	Effective 10/1/07	Through 7/31/14	Effective 8/1/14	Through 9/30/07	Effective 10/1/07	Through 9/30/07	Effective 10/1/07
2-Axle(3)	$ 1.00	$ 2.00	$ 3.00	$ 0.50	$ 0.50	$ 0.25	$ 0.25
3-Axle(4)	$ 3.00	$ 4.00	$ 5.00	$ 1.00	$ 1.50	$ 0.50	$ 0.75
4-Axle(4)	$ 4.00	$ 5.00	$ 6.00	$ 1.50	$ 2.00	$ 0.70	$ 1.00
5-Axle(4)	$ 5.00	$ 6.00	$ 7.00	$ 2.00	$ 2.50	$ 1.00	$ 1.25
6-Axle(4)	$ 6.00	$ 7.00	$ 8.00	$ 2.50	$ 3.00	$ 1.25	$ 1.50
Permit	$ 11.00	$ 11.00	$ 11.00				

Notes: (1) Cash and E-ZPass
(2) Cash and E-ZPass – 7PM Friday to 11PM Sunday
(3) Frequent Traveler Program – 50 percent discount for passenger vehicles making 30 trips in 30 days
(4) Commercial Vehicle E-ZPass discount – 25 percent per transaction

For the full-length 41-mile trip between Dover AFB and I-95, the weekday and weekend two-axle toll rates are 4.9 cents per mile and 14.6 cents per mile, respectively. The rate for some shorter trips is higher, depending on the entry-exit locations. The discounted rate for frequent users is 2.4 cents per mile on weekdays and 4.9 cents on weekends.

For a five-axle cash-paying truck traveling the full length of the facility during a weekday, the effective toll rate is 24.4 cents per mile. If the same trip uses E-ZPass, the 25 percent commercial discount would reduce the toll to 18.3 cents per mile. The effective per-mile toll rates for passenger cars (two-axle vehicles) and five-axle trucks completing a full-length trip are shown in Table 2-4.

Table 2-4: SR 1 Full-Length Tolls, Passenger Cars and Five-Axle Trucks

Vehicle Class and Time Period	Full-Length Toll Rates(1)		Rate per Mile(2)	
	Through 7/31/2014	Effective 8/1/2014	Through 7/31/2014	Effective 8/1/2014
Passenger Car				
Weekday(2)	$ 2.00	$ 2.00	$ 0.049	$ 0.049
Weekend (3)	$ 4.00	$ 6.00	$ 0.098	$ 0.146
Passenger Car Frequent Traveler Rate(4)				
Weekday	$ 1.00	$ 1.00	$ 0.024	$ 0.024
Weekend	$ 2.00	$ 2.00	$ 0.049	$ 0.049
5-Axle Truck				
Weekday(2)	$ 10.00	$ 10.00	$ 0.244	$ 0.244
Weekend (3)	$ 12.00	$ 14.00	$ 0.293	$ 0.341
Commercial Discount Rate(5)				
Weekday	$ 7.50	$ 7.50	$ 0.183	$ 0.183
Weekend	$ 9.00	$ 10.50	$ 0.220	$ 0.256

Notes: (1) Full –length 41-mile trip between Dover Air Force Base and I-95
(2) Cash and E-ZPass
(3) Cash and E-ZPass – 7PM Friday to 11PM Sunday
(4) Frequent Traveler Program – 50 percent discount for passenger cars making 30 trips in 30 days
(5) Commercial Vehicle E-ZPass discount – 25 percent per transaction

The SR 1 Toll Road is a "closed" system toll road where all interchange-to-interchange movements are tolled, with two exceptions. One exception is between Tybouts Corner and Lorewood Grove Road (just south of the C&D Canal) where there are toll-free outlets (southbound exit and northbound entry ramps) at Road 412 and connection available back to US 13. One other toll-free outlet is provided at SR 299 west of Odessa, a leftover vestige from before the middle nine-mile section between Odessa and Smyrna was completed. While both outlets allow for traffic diversions, the traffic and revenue data of SR 1 Toll Road already accounts for these diversions, i.e., they are an accomplished fact.

2.3 US 301 TOLL ROAD

Opened in January 2019, the US 301 Toll Road in Delaware is a four-lane freeway with all-electronic tolling at all pay points which accepts payment of tolls by E-ZPass or video (pay-by-plate). US 301 Toll Road in

Delaware is a northern extension of US 301, an auxiliary route of U.S. Route 1 (US 1) which spans nearly 1,100 miles from Biddles Corner, Delaware, at its northern terminus to Sarasota, Florida, at its southern terminus.

2.3.1 History

Within Delaware, US 301 was converted to the US 301 Toll Road and reoriented along a new alignment. Prior to its realignment and conversion to a toll facility, US 301 was originally an arterial roadway that passed through Middletown, Delaware, with several signalized intersections along its alignment. North of Middletown, the original route shared the same alignment as present-day DE 71 between Middletown and Mt Pleasant and DE 896 between Mt Pleasant and the route's northern terminus at US 40 in Glasgow. Slightly different from the original alignment, the current alignment of US 301 Toll Road extends 11.9 miles in the northeast direction from the Maryland border in the southwest to its northern terminus at the SR 1 Toll Road. Figure 2-2 shows the original and new alignments of US 301.

Figure 2-2: Map of US 301 in Delaware

With the new connection to SR 1, US 301 now provides an attractive alternative to I-95 for some travelers, particularly those traveling to SR 1 from areas surrounding Annapolis, Maryland. Given the congestion on I-95 and the multiple pay points on I-95 northbound from Baltimore, the US 301 Toll Road coupled with the US 301 rural expressway within Maryland offers competitive travel time and cost savings in comparison to I-95. Note that US 301 in Maryland also bypasses the most congested areas of Washington, D.C., for those travelers destined for Virginia. US 301 traffic trends relative to I-95 and SR 1 traffic trends are assessed in Section 5.4.

2.3.2 Current Tolling System

US 301 has four tolling pay points in Delaware (toll rates at each pay point are presented in Table 2-5):

- a mainline toll gantry north of the Maryland border,
- a ramp toll gantry on the Exit 2 southbound exit and northbound entrance ramp to/from DE 299 (Levels Road),
- a ramp toll gantry on the Exit 5 southbound exit and northbound entrance ramp to/from DE 71 (Summit Bridge Road), and
- a ramp toll gantry on the Exit 9 southbound exit and northbound entrance ramp to/from Jamison Corner Road.

Table 2-5: US 301 Toll Rates by Payment Type and Location

Vehicle Class	E-ZPass Toll Rates				Toll By Plate Toll Rates[1]			
	DE/MD State Line	Levels Rd	Summit Bridge Rd	Jamison Corner Rd	DE/MD State Line	Levels Rd	Summit Bridge Rd	Jamison Corner Rd
2-Axle	$ 4.00	$ 1.00	$ 0.75	$ 0.50	$ 5.60	$ 1.40	$ 1.05	$ 0.70
3-Axle	$ 9.00	$ 8.00	$ 8.00	$ 8.00	$ 10.80	$ 9.60	$ 9.60	$ 9.60
4-Axle	$ 10.00	$ 9.00	$ 9.00	$ 9.00	$ 12.00	$ 10.80	$ 10.80	$ 10.80
5-Axle	$ 11.00	$ 10.00	$ 10.00	$ 10.00	$ 13.20	$ 12.00	$ 12.00	$ 12.00
6-Axle	$ 12.00	$ 11.00	$ 11.00	$ 11.00	$ 14.40	$ 13.20	$ 13.20	$ 13.20
Permit	$ 11.00	$ 11.00	$ 11.00	$ 11.00	$ 11.00	$ 11.00	$ 11.00	$ 11.00

Notes: (1) As All-Electronic Toll (AET) Collection has been implemented on the US 301 Toll Road in Delaware, cash is not accepted on the toll road.

3.0 HISTORICAL TRAFFIC, TOLL REVENUE, AND CONCESSION REVENUE

This section is an analysis of annual traffic and revenue trends on the Turnpike and SR 1. This includes a discussion of year-over-year growth rates and an explanation of yearly traffic and revenue growth or reduction.

3.1 I-95 DELAWARE TURNPIKE

With the opening of the Turnpike in 1963 and prior to of FY 2020 with the onset of the pandemic, the Turnpike has a 53-year record at the Newark toll plaza of traffic and revenue growth. During its first 25 years of operation, traffic through the Newark Plaza increased by a factor of 3.4, from 5.9 million vehicles in 1964, its first full year of operation, to 19.9 million vehicles in FY 1989. During this same period, toll revenues collected at the Newark Plaza increased by a factor of 13.7 – from $1.9 million to $26.1 million. The increase reflects the completion I-95 between Maine and Florida and the Turnpike's toll increase from $0.30 (for passenger cars, higher for trucks) to $1.00. Early in the period, tolls were also collected on the Turnpike ramps at SR 7, SR 273, and SR 896, but as mentioned previously, these tolls were discontinued in 1976. Commensurate with the increasing traffic over the years, concession revenues from the two service stations and restaurant facility increased from $690,000 in 1964 to $1,556,000 in FY 1989.

From 1989 to 2004, traffic, toll revenue and concession revenue grew despite the 25 percent toll increase in September 1993 (FY 1994) from $1.00 to $1.25 for passenger cars and other two-axle vehicles, and the 60 percent increase in January 1999 (FY 1999) from $1.25 to $2.00 for passenger car cash tolls. Turnpike traffic and revenue from FY 2000 through FY 2022 are listed in Table 3-1 and shown graphically in Figure 3-1. Traffic volumes on the Turnpike reached a high of 28.6 million in FY 2004 and began to decline in FY 2005.

In FY 2005, traffic and revenue decreased slightly in response to higher fuel prices in the wake of Hurricane Katrina, although concession revenue did increase. This increase is attributed to the rising price for fuel sales. Revenues for FY 2006 increased significantly due to the increased toll rates for all vehicles that went into effect on October 1, 2005, along with discontinuing the E-ZPass discount for autos. Revenue increased significantly again in FY 2008 in response to the toll increase in October 2007, although the number of patrons using the facility in FY 2008 was 7.0 percent less than the number of patrons in FY 2005. Similarly, revenue increased in FY 2009 while transactions declined due to increased tolls in effect for an entire fiscal year. As the effects of the Great Recession continued into FY 2010, both transactions and revenue declined. Toll revenue decreased by 2.0 from FY 2009 and the average toll rate decreased to $4.57 per transaction, reflecting a lower overall share of truck transactions.

In FY 2011, traffic was 4.2 percent lower and toll revenue was 4.1 percent lower than FY 2010 in response to the declining economy and higher fuel prices. Also, in November 2010, construction required closures at the Turnpike toll plaza during the Thanksgiving holiday weekend.

TRAFFIC & REVENUE REPORT I-95/DELAWARE TURNPIKE AND SR 1

Historical Traffic, Toll Revenue, and Concession Revenue

In FY 2012, the number of passenger and commercial vehicles increased 2.5 percent from FY 2011, showing some recovery from the Great Recession. Higher volumes in January 2012 were the result of improved weather compared to heavy snow and cold weather in 2011. Also, 2012 was a leap year and monthly transactions for February showed an increase over 2011 due to the additional day.

Traffic decreased 0.9 percent in FY 2013, likely caused by the effects of Superstorm Sandy, which suspended tolls for one day at the Newark Plaza and caused reduced traffic all along the East Coast in October and November 2012.

Table 3-1: Turnpike Transactions and Revenue, FY 2000 – 2022

Fiscal Year	Annual Transactions		Toll Revenue			Concession Revenue		Total Revenue (000)
	Volume (000)	Percent change	Amount (000)	Percent change	Average per vehicle	Amount (000)	Average per vehicle	
2000	26,138	--	$ 60,187	--	$ 2.303	$ 2,313	$ 0.088	$ 62,500
2001	26,724	2.2%	$ 60,243	0.1%	$ 2.254	$ 2,304	$ 0.086	$ 62,547
2002	27,633	3.4%	$ 60,165	-0.1%	$ 2.177	$ 2,302	$ 0.083	$ 62,467
2003 [3]	27,727	0.3%	$ 59,099	-1.8%	$ 2.131	$ 2,332	$ 0.084	$ 61,431
2004	28,553	3.0%	$ 59,986	1.5%	$ 2.101	$ 2,465	$ 0.086	$ 62,451
2005 [4]	28,411	-0.5%	$ 59,346	-1.1%	$ 2.089	$ 2,591	$ 0.091	$ 61,937
2006 [5]	27,527	-3.1%	$ 84,723	42.8%	$ 3.078	$ 2,698	$ 0.098	$ 87,421
2007	27,110	-1.5%	$ 94,195	11.2%	$ 3.475	$ 2,800	$ 0.103	$ 96,995
2008 [6]	26,410	-2.6%	$113,989	21.0%	$ 4.316	$ 2,499	$ 0.095	$116,488
2009	25,812	-2.3%	$119,105	4.5%	$ 4.614	$ 2,408	$ 0.093	$121,513
2010 [8]	25,542	-1.0%	$116,727	-2.0%	$ 4.570	$ 2,161	$ 0.085	$118,888
2011 [8]	24,460	-4.2%	$111,932	-4.1%	$ 4.576	$ 1,782	$ 0.073	$113,714
2012	25,079	2.5%	$114,729	2.5%	$ 4.575	$ 2,024	$ 0.081	$116,753
2013	24,858	-0.9%	$113,769	-0.8%	$ 4.577	$ 2,377	$ 0.096	$116,146
2014	24,948	0.4%	$113,051	-0.6%	$ 4.532	$ 2,484	$ 0.100	$115,535
2015	25,751	3.2%	$117,055	3.5%	$ 4.546	$ 2,393	$ 0.093	$119,448
2016	26,992	4.8%	$123,431	5.4%	$ 4.573	$ 2,440	$ 0.090	$125,871
2017	27,519	2.0%	$125,783	1.9%	$ 4.571	$ 2,475	$ 0.090	$128,258
2018	27,347	-0.6%	$125,889	0.1%	$ 4.603	$ 2,348	$ 0.086	$128,237
2019	26,793	-2.0%	$123,492	-1.9%	$ 4.609	$ 2,387	$ 0.089	$125,879
2020	23,352	-12.8%	$110,634	-10.4%	$ 4.738	$ 1,584	$ 0.068	$112,218
2021	22,548	-3.4%	$107,788	-2.6%	$ 4.780	$ 1,360	$ 0.060	$109,149
2022 [7]	23,584	4.6%	$110,866	2.9%	$ 4.701	$ 1,409	$ 0.060	$112,275

Notes: (1) Toll increase September 1993, impact reflected in FY 1994

(2) Toll increase January 1999, impact reflected in FY 1999

(3) Growth affected by severe winter weather

(4) Growth affected by increased fuel prices

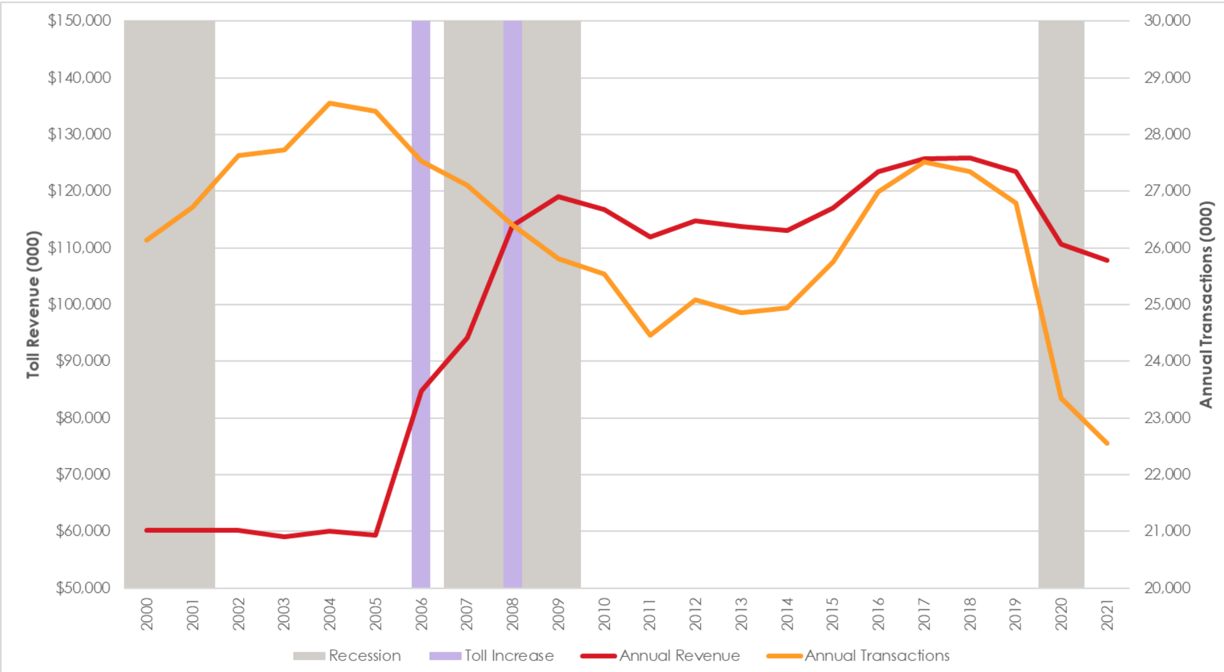
(5) Toll increase October 2005 impact reflected in FY 2006

(6) Toll increase in October 2007 and increased fuel prices impact reflected in FY 2008

(7) Through May 2022; percent change for 2022 compares FY22 July-May to FY21 July-May

(8) Concession Plaza was rebuilt in 2010 and 2011 contributed to a significantly lower concession revenue in 2011

Figure 3-1: Turnpike Traffic and Toll Revenue, FY 2000 – 2021



In FY 2014, traffic volumes were 0.4 percent higher than FY 2013. Traffic increased in FY 2014 due to the gradually improving economy and the recovery from Superstorm Sandy. This growth was partially offset by severe weather conditions in January 2014. Between June and August 2014, the I-495 bridge over the Christiana River was closed due to unsafe conditions.

FY 2015 traffic increased 3.2 percent from FY 2014. Severe weather conditions in February and March 2015 constrained the potential growth in FY 2015.

Traffic increased 4.8 percent and toll revenue increased 5.4 percent in FY 2016. Multiple factors influenced this growth such as the truck toll evasion program, less inclement weather conditions compared to FY 2015, and the impact of the 2016 leap year.

FY 2017 experienced a 2.0 percent growth in traffic and a 1.9 percent growth in toll revenue. There was a large increase compared to April FY 2016 due to the system communication error in the high-speed E-Z Pass lanes in the previous year, as well as a decrease in trucks in October.

Traffic decreased in FY 2018 for the first time in five years. However, toll revenue increased 0.1 percent, and the average toll rate increased three cents to $4.60 per vehicle indicating a greater share of truck traffic offsetting a decline in auto traffic. Truck traffic increased by 5.0 percent in FY 2018. Monthly data show near-zero or slight decreases in transactions for an overall annual decrease of 0.6 percent in FY 2018. January and April experienced a bigger decline in transactions due to weather and roadway construction, while February and March transactions increased due to better winter weather compared to FY 2017 winter weather.

TRAFFIC & REVENUE REPORT I-95/DELAWARE TURNPIKE AND SR 1

Historical Traffic, Toll Revenue, and Concession Revenue

FY 2019 total transactions declined every month except April for an annual decrease of 2.0 percent. Toll revenue decreased 1.9 percent. This decline can partly be attributed to the opening of US 301 in January 2019 as well as increased import tariffs, as manufacturers increased inventories in 2018 prior to the expected implementation of tariffs.

FY 2020 showed extreme volatility due to many factors including regional roadway construction and the pandemic. Transactions were down 12.8 percent compared to the previous year, and toll revenue was down 10.4 percent. The average toll rate has increased 13 cents to $4.74 due to the severe decline in passenger cars and thus an increase in the percentage of truck traffic.

On March 17, 2020, in response to the pandemic State of Emergency, all manned operations at the I-95 toll plazas were temporarily suspended, and cash tolls were no longer accepted. Instead, all the cash patrons were billed via Pay-By-Mail payment method. A stay-at-home order issued in Delaware on March 22, 2020, went into effect on March 24, 2020, and impacted traffic. In March, there was a 30.6 percent decrease in total transactions. In April, transactions were down 63.9 percent compared to the previous year. The transactions also declined in May and June compared to FY 2019 monthly transactions, with a reduction of 37.9 percent and 29.7 percent compared to May and June of 2019, respectively. Cash toll collection was reinstated at the I-95, Biddles, and Dover Toll Plazas on Thursday, May 21, 2020, at 12:00 p.m. The stay-at-home order was lifted on June 1, 2020. Both FY 2021 annual transactions and FY 2022 annual transactions through May 2022 have shown positive growth since the height of the pandemic at the end of FY 2020.

The final set of columns in Table 3-1 contains concession revenues earned from the fuel sales and sales of convenience items as well as the restaurant operated by Marriott at the original service plaza. Due to its location midway between New York and Washington, the Turnpike service plaza is one of the busiest turnpike service plazas in the Northeast Corridor.

Historical concession revenue has varied over the years in response to the changes in traffic using the Turnpike. Prior to 2008, the concession revenue generally increased with only minor reductions for the 1991 and 2001 recessions. However, since 2008, the concession revenue has exhibited much more volatility with revenues remaining significantly below the highest revenue achieved in 2007. Some of the lower revenues can be attributed to variation in fuel prices and the impacts of the Great Recession and weak recovery, as well as the period when the service plaza was reconstructed. Note that the reduced concession revenue for FY 2010 includes primarily temporary rent payments made during reconstruction of the service plaza between Labor Day 2009 and June 2010. Concession revenue in FY 2011 was 17.5 percent less than the previous year, which is likely due to the 4.2 percent reduction in traffic on the Turnpike. In FY 2012, the rate per vehicle rebounded and concession revenue increased 13.6 percent over FY 2011. In contrast to toll revenue and traffic on I-95, there was a large increase in concession revenue in FY 2013 of 17.4 percent. Concession revenue varied only slightly in the following years, increasing 4.5 percent in FY 2014, decreasing 3.6 percent in FY 2015, and increasing 2.0 percent in FY 2016. Following a further increase in FY 2017, concession revenue was trending lower in FY 2018, a slight increase in FY 2019, and a significant drop has occurred in FY 2020 due to the pandemic. Note that during the restrictions, the service plaza provided limited services through the end of FY 2020. In FY 2021, concession revenue remained below FY 2019 (pre-pandemic) concession revenue.

3.2 SR 1 TOLL ROAD

Given the opening of the SR 1 Toll Road in December 1993, the Authority generally has a record of traffic and revenue growth for more than 25 years for the toll facility. However, there was a notable decline in traffic in FY 2020 with the onset of the pandemic. As a result of the opening of additional segments of the road, transactions increased from 6,250,000 in 1995, the first full fiscal year of operations, to 16,444,000 in FY 2000 (more than a 163 percent increase). Over the same period, toll revenue increased from $2.3 million in FY 1995 to $16.6 million in FY 2000 (a nearly 622 percent increase).

In November 1999, the C&D Canal-Odessa section (including the Biddles Corner Plaza) opened, followed by the Puncheon Run Connector in December 2000. Combined, these additions produced a 177 percent increase in transactions between FY 1999 and FY 2002 with the Biddles Corner Plaza doubling the number of mainline plazas and the Puncheon Run Connector feeding additional transactions (to/from US 13/south) through the Dover Plaza. For the six-year period from FY 2004 to FY 2010 following the completion of the final section of SR 1, average transaction growth increased at a compounded rate of 2.3 percent per year. This includes the significant downturn in FY 2008 resulting from increased fuel costs and the initial impacts of the Great Recession. While annual transactions and toll revenue have continually increased since 2012, the impact of the pandemic on travel patterns was evident in FY 2020 as both transactions and revenue decreased 12.3 percent and 11.6 percent, respectively, compared to 2019 levels. FY 2021 had only a small amount of pandemic recovery with transactions increasing 0.4 percent and revenue increasing 2.8 percent when compared to FY 2020. Significant recovery is seen in the FY 2022 data through May 2022 with transactions and revenue increasing 7.8 percent and 8.3 percent, respectively, over the same eleven months of the prior year. Transactions and revenue for each fiscal year from 2000 to the present are summarized in Table 3-2 and shown graphically in Figure 3-2.

TRAFFIC & REVENUE REPORT I-95/DELAWARE TURNPIKE AND SR 1

Historical Traffic, Toll Revenue, and Concession Revenue

Table 3-2: SR 1 Toll Road Transactions and Revenue, FY 2000 – 2022

Fiscal Year	Annual Transactions [1]		Toll Revenue[1]		
	Volume (000)	Percent Change	Amount (000)	Percent Change	Average per Vehicle
2000[2]	16,444	-	$ 16,587	-	$ 1.009
2001[3]	23,408	42.3%	$ 22,704	36.9%	$ 0.970
2002	26,742	14.2%	$ 25,398	11.9%	$ 0.950
2003[4]	28,650	7.1%	$ 26,666	5.0%	$ 0.931
2004	32,269	12.6%	$ 29,088	9.1%	$ 0.901
2005	35,304	9.4%	$ 30,656	5.4%	$ 0.868
2006	37,347	5.8%	$ 32,253	5.2%	$ 0.864
2007	39,206	5.0%	$ 33,295	3.2%	$ 0.849
2008[5]	37,548	-4.2%	$ 42,361	27.2%	$ 1.128
2009	36,220	-3.5%	$ 45,889	8.3%	$ 1.267
2010	37,082	2.4%	$ 46,796	2.0%	$ 1.262
2011	37,670	1.6%	$ 46,755	-0.1%	$ 1.241
2012	37,625	-0.1%	$ 45,757	-2.1%	$ 1.216
2013	38,284	1.8%	$ 47,089	2.9%	$ 1.230
2014	39,072	2.1%	$ 48,338	2.7%	$ 1.237
2015[6]	39,745	1.7%	$ 56,868	17.6%	$ 1.431
2016	42,332	6.5%	$ 60,912	7.1%	$ 1.439
2017	44,213	4.4%	$ 63,307	3.9%	$ 1.432
2018	44,520	0.7%	$ 63,520	0.3%	$ 1.427
2019	45,351	1.9%	$ 64,270	1.2%	$ 1.417
2020	39,775	-12.3%	$ 56,821	-11.6%	$ 1.429
2021	39,952	0.4%	$ 58,423	2.8%	$ 1.462
2022[7]	38,547	7.8%	$ 56,567	8.3%	$ 1.467

Notes: (1) Mainline and ramp plazas combined

(2) C&D Canal-Odessa section (included Biddles Corner Plaza) opened November 1999

(3) Puncheon Run Connector opened December 2000

(4) Odessa-Smyrna section opened May 2003

(5) Reflects impact of October 1, 2007, toll increase

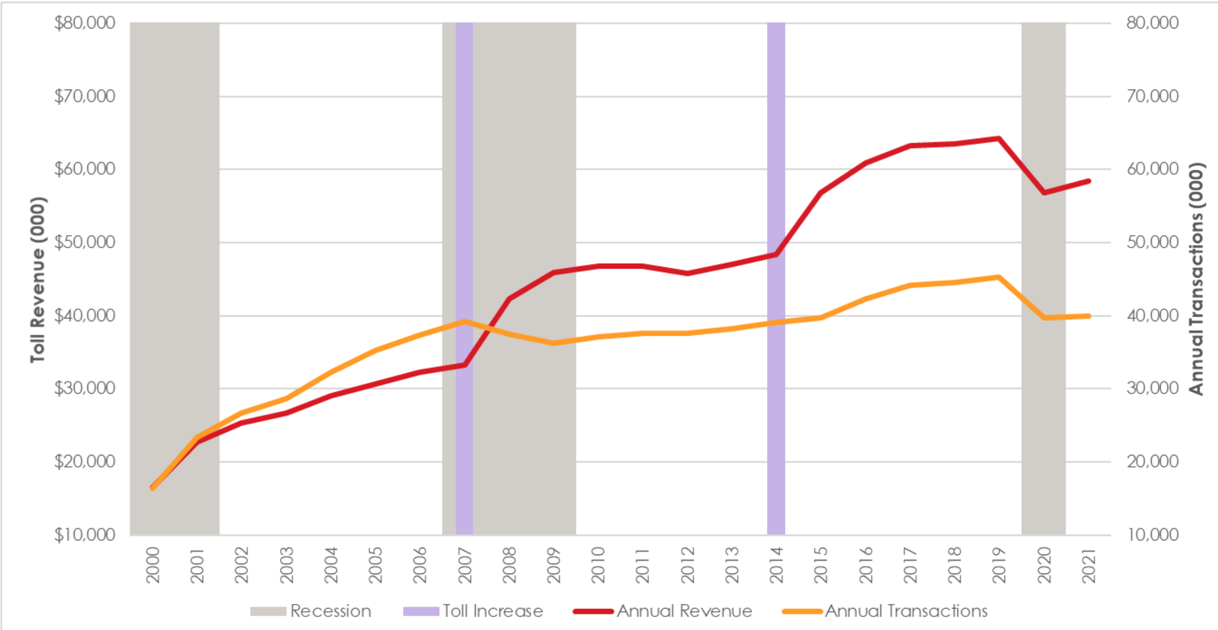
(6) Reflects impact of August 1, 2014, weekend toll increase

(7) Through May 2022; percent change for 2022 compares FY22 July-May to FY21 July-May

TRAFFIC & REVENUE REPORT I-95/DELAWARE TURNPIKE AND SR 1

Historical Traffic, Toll Revenue, and Concession Revenue

Figure 3-2: SR 1 Toll Road Traffic and Toll Revenue, FY 2000 – 2021



For the FY 2009 – FY 2010 period, transaction and revenue growth was significant as seasonal traffic, which occurs primarily during the weekend period and thus is subject to the weekend surcharge, was recovering from the reductions experienced in response to significant fuel price escalation in FY 2008. In FY 2013 passenger car traffic decreased due to Superstorm Sandy in October 2012 when the entire length of SR 1 Toll Road (including the Dover, Denneys, Smyrna, Biddles Corner, and Boyds Corner Plazas) was closed from noon on Sunday, October 28th, to 3PM Tuesday, October 30th.

Overall, following the immediate impact from the Great Recession, in the period from 2010 through 2016, traffic growth was 2.2 percent compounded annually. While traffic growth was stable from FY 2014 to FY 2015 with a transaction increase of 1.7 percent, revenue increased tremendously – 17.6 percent – due to the weekend toll increase. The average revenue per vehicle (i.e., the average toll) increased by 16 percent, from $1.237 in FY 2014 to $1.431 in FY 2015, in response to the August 2014 weekend toll increase. Unlike the 2007 toll increase, transactions did not decrease immediately following the increased toll price.

In the most recent years, both traffic and revenue trends showed an increase each year from FY 2016 to FY 2019. While this is similar to the trend exhibited on I-95 in FY 2016 and FY 2017, it is dissimilar for the latter two years of the four-year period since traffic and revenue decreased on I-95 in FY 2018 and FY 2019.

As previously mentioned, both transactions and revenue decreased by 12.3 and 11.6 percent, respectively, in FY 2020 compared to FY 2019 levels as shown in Table 3-2, a trend which is attributed to the impact of stay-at-home orders and business closures in response to the onset of the pandemic during the last few months of the fiscal year. In FY 2021, only a small amount of pandemic recovery occurred with 0.4 percent transaction growth and 2.8 percent revenue growth over the previous year. FY 2022 through May 2022 had much more significant improvement with 7.8 percent transaction growth and 8.3 percent revenue growth over the previous fiscal year.

Traffic and revenue growth from 2016 to 2022, including the decline in 2020, are trends concurrent with growth and decline in nationwide vehicle miles traveled, depicted in a subsequent section of this document in Figure 5-1 alongside fuel cost trends.

4.0 TRAFFIC CHARACTERISTICS

This section provides a more detailed assessment of traffic and revenue trends on the Turnpike and SR 1. Historical transactions and revenue are analyzed by payment type and vehicle type, and a review of how the current FY 2022 transactions compare to the annual average daily traffic of the prior year (FY 2021) is included as well.

4.1 I-95 DELAWARE TURNPIKE

In this section, traffic on the Turnpike is characterized by method of toll payment (cash or E-ZPass), type of vehicle (auto/2-axle vehicle or truck), and monthly traffic patterns.

4.1.1 Toll Payment Method

Transactions for two-axle vehicles by payment type (cash versus E-ZPass) since FY 2000, the first full year following the implementation of E-ZPass on the Turnpike in January 1999, are listed in Table 4-1 and shown graphically in Figure 4-1. Only the two-axle E-ZPass users were eligible for the E-ZPass discount ($1.25 E-ZPass versus $2.00 cash) between January 1999 and September 30, 2005. The table indicates that the two-axle E-ZPass market share consistently increased during the six years when a deep discount was offered on the Turnpike, reaching the 41 percent level in FY 2005.

E-ZPass usage has continued to increase although at a slower rate than the rate of increase during the period when the discount was in place. Part of this increase can be attributed to the regional aspect of E-ZPass convenience and cost savings in the Northeast Corridor, where other toll road operators have offered a discount for E-ZPass users and have introduced All-Electronic Toll (AET) collection. On the Turnpike, E-ZPass transaction share has steadily increased over the past ten years. Two-axle E-ZPass transaction share has grown from one to three percent per year, reaching 83 percent E-ZPass transaction share in FY 2022.

Commercial vehicles have a higher level of E-ZPass use, reaching approximately 95 percent in FY 2022 as shown in Table 4-2 and Figure 4-1. This is due to the increased accountability available by using E-ZPass instead of cash and the ease of usage, in addition to the acceptance of E-ZPass toll payment on toll facilities throughout the Northeast and Midwest states.

Table 4-1: Turnpike Passenger Car E-ZPass Usage

Fiscal Year	Two-Axle Transactions (000)			Percent E-ZPass
	Cash	E-ZPass	Total	
2000	20,306	1,907	22,213	9%
2001	19,057	3,568	22,625	16%
2002	18,297	5,615	23,912	23%
2003	16,524	7,589	24,113	31%
2004	15,965	8,841	24,806	36%
2005	14,434	10,061	24,495	41%
2006	12,786	10,835	23,621	46%
2007	11,908	11,294	23,202	49%
2008	10,960	11,590	22,550	51%
2009	10,378	11,858	22,236	53%
2010	9,949	12,291	22,240	55%
2011	9,102	12,159	21,261	57%
2012	8,619	13,181	21,800	60%
2013	7,868	13,723	21,591	64%
2014	7,465	14,459	21,924	66%
2015	7,406	15,142	22,548	67%
2016	7,308	16,146	23,454	69%
2017	6,948	16,979	23,928	71%
2018	6,234	17,343	23,577	74%
2019	5,563	17,487	23,050	76%
2020	4,468	15,001	19,469	77%
2021	3,856	14,746	18,602	79%
2022*	3,447	16,386	19,833	83%

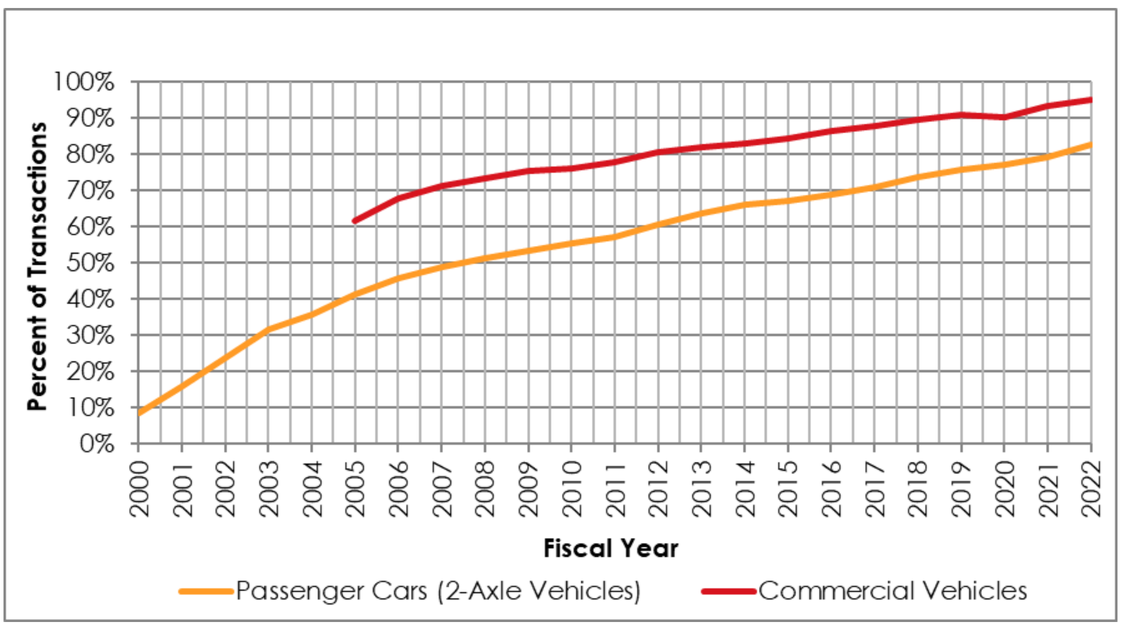
* Through May 2022

Table 4-2: Turnpike Commercial Vehicle E-ZPass Usage

Fiscal Year	Commercial Vehicle Transactions (000) Cash	E-ZPass	Total	Percent E-ZPass
2005	1,498	2,416	3,914	62%
2006	1,257	2,649	3,906	68%
2007	1,129	2,779	3,908	71%
2008	1,028	2,832	3,860	73%
2009	875	2,701	3,576	76%
2010	784	2,519	3,303	76%
2011	708	2,491	3,199	78%
2012	638	2,642	3,280	81%
2013	588	2,680	3,268	82%
2014	514	2,510	3,024	83%
2015	498	2,705	3,203	84%
2016	478	3,060	3,538	86%
2017	439	3,152	3,591	88%
2018	389	3,381	3,770	90%
2019	337	3,406	3,743	91%
2020	384	3,500	3,883	90%
2021	264	3,682	3,946	93%
2022*	190	3,560	3,751	95%

* Through May 2022

Figure 4-1: Turnpike Passenger Car and Commercial Vehicle E-ZPass Usage



Note: FY 2022 includes data through May (11 months of FY 2022)

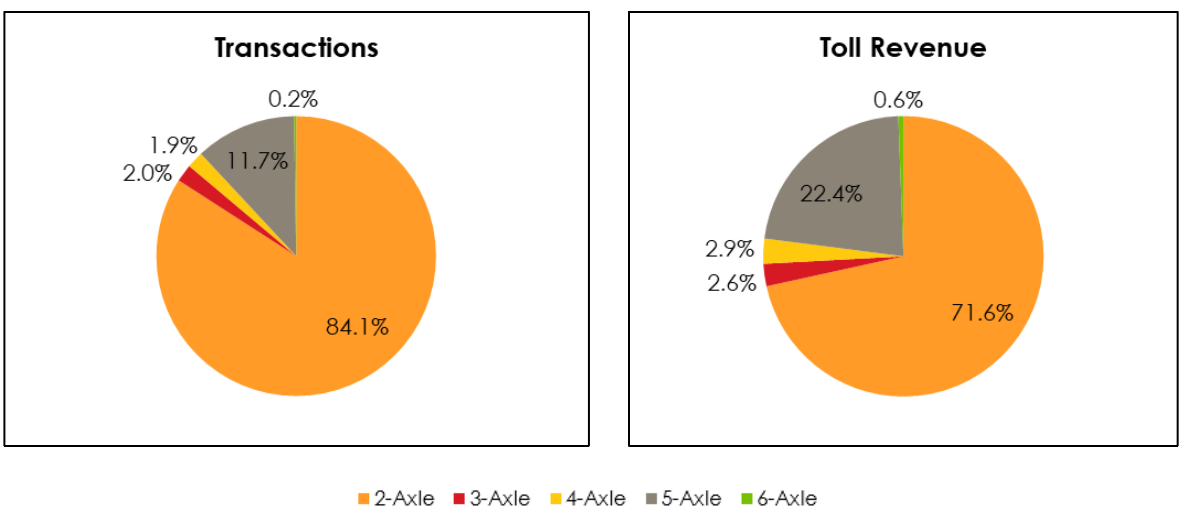
4.1.2 Vehicle Types

Traffic and revenue results for FY 2022 through May (11 months of FY 2022) by vehicle toll classification are summarized in Table 4-3 and shown graphically in Figure 4-2. While two-axle vehicles are 84.1 percent of total transactions, they are only 71.6 percent of toll revenue. The second highest toll classification category is five-axle vehicles which account for 11.7 percent of transactions and 22.4 percent of revenue. The remaining commercial vehicle categories account for 4.2 percent of transactions and 6.1 percent of toll revenue.

Table 4-3: Turnpike Transactions and Revenue by Toll Classification First 11 Months of FY 2022

Vehicle Class	Transactions		Toll	Toll Revenue	
	Volume (000)	Percent of Total		Amount (000)	Percent of Total
2-Axle	19,833	84.1%	$ 4.00	$ 79,334	71.6%
3-Axle	477	2.0%	$ 6.00	$ 2,863	2.6%
4-Axle	457	1.9%	$ 7.00	$ 3,197	2.9%
5-Axle	2,757	11.7%	$ 9.00	$ 24,816	22.4%
6-Axle	59	0.2%	$ 11.00	$ 644	0.6%
Permit	1	0.004%	$ 11.00	$ 11	0.01%
Total	**23,584**	**100.0%**		**$110,866**	**100%**

Figure 4-2: Turnpike Traffic and Revenue by Vehicle Class First 11 Months of FY 2022



Note: Summarized from FY 2022 Data through May 2022. Excludes permitted vehicles.

4.1.3 Monthly Traffic Patterns

Over the last several years, traffic on the Turnpike has fluctuated in response to variations in economic activity, declining fuel prices, roadway construction, severe weather events, and the pandemic. Using the monthly data provided by the Delaware Department of Transportation (DelDOT), a monthly comparison of transactions by vehicle type was prepared for fiscal years 2019, 2020, 2021, and 2022 to determine if the current data provide an indication of recent overall travel patterns. The comparison is provided in Table 4-4 and Table 4-5 for passenger cars and commercial vehicles, respectively.

Since 2-axle vehicles account nearly 85 percent of total transactions on the Turnpike, the trend for passenger cars is similar to the trend for total transactions. Annual 2-axle/passenger car traffic decreased in FY 2019 by 2.2 percent, and a portion of the decrease in traffic in 2019 is likely attributed to some traffic diverting to the US 301 Toll Road in Delaware, which opened in January 2019. The US 301 corridor through Maryland and Delaware provides an attractive option for vehicles choosing to bypass Baltimore and the Washington, D.C., Metropolitan Area.

While generally steady percent differences (between -2.9 percent and 17.0 percent; the 17.0 percent increase in January was likely due to unusually mild weather in January 2020) in monthly transactions between FY 2019 and FY 2020 were reported prior to the onset of the pandemic, pandemic-related impacts are apparent in the months of March to June 2020 with passenger cars decreasing by 36.2, 73.0, 44.7, and 34.5 percent compared to the previous year. As pandemic-related travel restrictions were lifted throughout the summer and fall of 2020, the deficits compared to corresponding pre-pandemic months began to shrink compared to the deficit at the height of the pandemic; as shown in Table 4-4, the months of August 2020 through December 2020 each reported passenger car transactions within 30 percent of corresponding 2019 monthly transactions. While monthly FY 2022 transaction data is generally higher than FY 2021 monthly data and indicated that pandemic recovery continues, May 2022 passenger car transactions came in at 2.9 percent below May 2021 passenger car transactions which may indicate that I-95 travel recovery may be starting to slow, possibly in response to increasing fuel costs.

Table 4-4: Turnpike, Passenger Car Transactions, FY 2019 – FY 2022

Month	Passenger Cars							
	FY 2019	FY 18-19 Change	FY 2020	FY 19-20 Change	FY 2021	FY 20-21 Change	FY 2022	FY 21-22 Change
July	2,296,144	-5.1%	2,249,296	-2.0%	1,497,352	-33.4%	2,191,423	46.4%
August	2,322,462	-1.9%	2,328,845	0.3%	1,664,225	-28.5%	2,177,615	30.8%
September	1,880,015	-3.3%	1,856,034	-1.3%	1,489,999	-19.7%	1,771,692	18.9%
October	1,849,753	-4.5%	1,834,614	-0.8%	1,555,512	-15.2%	1,863,286	19.8%
November	1,970,293	-1.3%	1,912,245	-2.9%	1,435,484	-24.9%	1,894,109	31.9%
December	1,972,920	-0.3%	1,956,676	-0.8%	1,386,044	-29.2%	1,814,466	30.9%
January	1,426,679	-3.8%	1,669,177	17.0%	1,279,638	-23.3%	1,278,763	-0.1%
February	1,398,218	-3.0%	1,473,259	5.4%	1,039,785	-29.4%	1,386,470	33.3%
March	1,755,531	-3.2%	1,120,776	-36.2%	1,523,057	35.9%	1,607,013	5.5%
April	2,004,007	0.6%	542,013	-73.0%	1,746,079	222.1%	1,935,733	10.9%
May	2,046,124	-0.6%	1,130,869	-44.7%	1,969,439	74.2%	1,912,911	-2.9%
June	2,127,778	-0.8%	1,394,758	-34.5%	2,015,042	44.5%		
Total Year	**23,049,924**	**-2.2%**	**19,468,562**	**-15.5%**	**18,601,656**	**-4.5%**	**19,833,481**	**19.6%**

Note: FY 21-22 Change compares FY 2022 data through May to FY 2021 data through May

TRAFFIC & REVENUE REPORT I-95/DELAWARE TURNPIKE AND SR 1

Traffic Characteristics

Commercial traffic trends are shown in Table 4-5. FY 2019 monthly trends fluctuated between positive and negative growth for an overall decrease of 0.7 percent compared to the previous year. There was a 19.3 percent decrease in truck transactions in December likely due to an increase on import tariffs. Prior to the onset of the pandemic, monthly commercial vehicle volumes generally increased in FY 2020 with the exception of a slight decrease in November. January 2020 truck traffic grew 18.7 percent which is in line with the passenger car trend of a 17.0 percent increase in January 2020. This was likely due to a rebound from the prior year's reduction, which is also consistent with a change in passenger cars.

During the first month of pandemic-related stay-at-home restrictions in March, truck traffic increased 0.3 percent. In April, commercial vehicles were down 9.5 percent from the previous year. However, the commercial vehicles increased again by 2.6 percent in May 2020 compared to the same month of the previous year. Overall, annual commercial vehicle traffic was up by 3.7 percent in FY 2020 and has continued to increase; annual FY 2021 commercial vehicle transactions increased by 1.6 percent compared to FY 2020 transactions, and for the first 11 months of FY 2022 (July 2021 through May 2022) the commercial vehicle transactions were 4.2 percent above commercial vehicle transactions reported for the corresponding period in FY 2021.

There are several reasons why commercial volume trends have been so volatile, including weather-related issues and:

- An increase in import tariffs affecting trucks began in 2018, and a subsequent decrease in January 2020;
- Congestion due to construction on SR 141 which reconstructed bridges over I-95 causing trucks to divert to or away from I-95; and
- Roadway project completions creating improved capacity and operations (increase).

Table 4-5: Turnpike Commercial Vehicle Transactions, FY 2019 – FY 2022

Month	Commercial Vehicles							
	FY 2019	FY 18-19 Change	FY 2020	FY 19-20 Change	FY 2021	FY 20-21 Change	FY 2022	FY 21-22 Change
July	320,320	3.6%	332,686	3.9%	320,439	-3.7%	321,464	0.3%
August	329,576	-0.3%	332,073	0.8%	330,960	-0.3%	333,832	0.9%
September	309,317	0.5%	315,383	2.0%	339,913	7.8%	334,409	-1.6%
October	343,702	4.3%	348,351	1.4%	336,606	-3.4%	348,426	3.5%
November	318,131	2.4%	314,309	-1.2%	314,993	0.2%	320,176	1.6%
December	242,159	-19.3%	314,062	29.7%	328,872	4.7%	343,587	4.5%
January	284,664	-2.9%	337,877	18.7%	309,717	-8.3%	318,787	2.9%
February	280,671	2.1%	290,657	3.6%	277,365	-4.6%	318,754	14.9%
March	315,175	-0.4%	316,133	0.3%	355,947	12.6%	378,779	6.4%
April	332,347	2.8%	300,652	-9.5%	341,849	13.7%	365,431	6.9%
May	343,533	-0.6%	352,601	2.6%	342,421	-2.9%	367,158	7.2%
June	323,538	-1.6%	328,502	1.5%	347,076	5.7%		
Total Year	**3,743,133**	**-0.7%**	**3,883,286**	**3.7%**	**3,946,158**	**1.6%**	**3,750,803**	**4.2%**

Note: FY 21-22 Change compares FY 2022 data through May to FY 2021 data through May

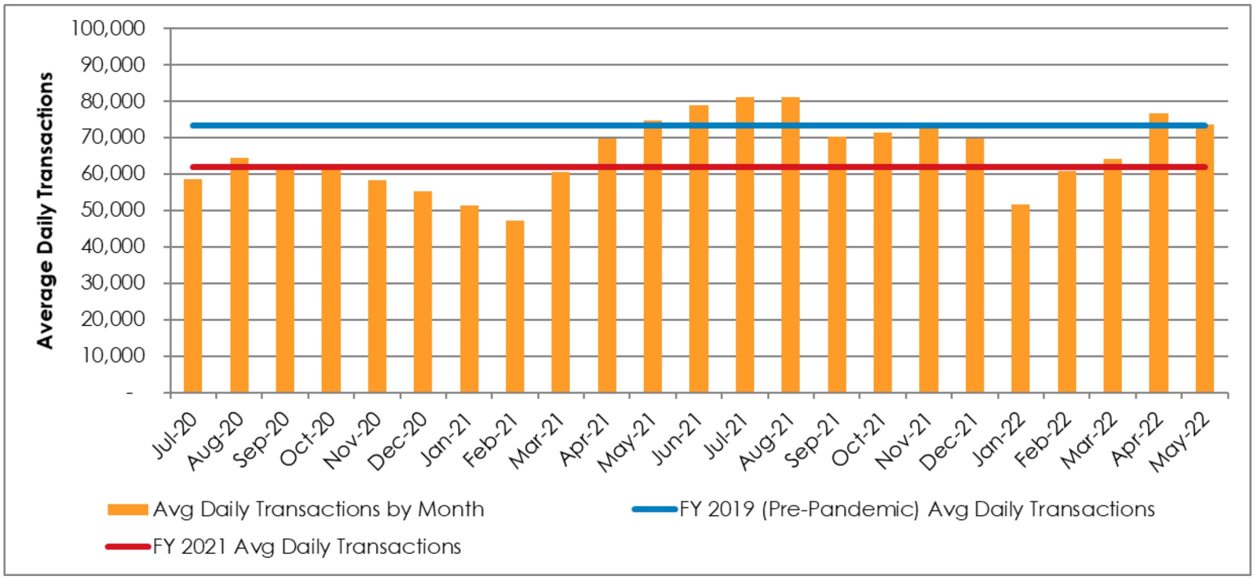
The monthly traffic variations along I-95 are listed in Table 4-6 and shown graphically in Figure 4-3. Traffic is compared to the FY 2021 AADT (after the onset of the pandemic). The average daily toll transactions ranged from a low of 17 percent below FY 2021 average daily transactions in January 2022 to a high of 31 percent above the average in July 2021 and August 2021 compared to the FY 2021 average daily transactions, reflecting the effects of pandemic recovery and seasonal recreation travel in the summer months. Since the pandemic had a significant impact on traffic across the country, Stantec also used the FY 2019 AADT, included on Figure 4-3 and developed using a more stable FY 2019 traffic pattern, as a reference point to compare to the monthly traffic variation of the FY 2022 data.

Table 4-6: Turnpike Monthly Traffic

Month	Monthly Transactions		Average Daily Transactions	
	Volume	Percent of Year	Volume	Ratio to FY 2021 Annual Avg
Jul-21	2,512,887	10.7%	81,061	1.31
Aug-21	2,511,447	10.6%	81,014	1.31
Sep-21	2,106,101	8.9%	70,203	1.14
Oct-21	2,211,712	9.4%	71,346	1.15
Nov-21	2,214,285	9.4%	73,810	1.19
Dec-21	2,158,053	9.2%	69,615	1.13
Jan-22	1,597,550	6.8%	51,534	0.83
Feb-22	1,705,224	7.2%	60,901	0.99
Mar-22	1,985,792	8.4%	64,058	1.04
Apr-22	2,301,164	9.8%	76,705	1.24
May-22	2,280,069	9.7%	73,551	1.19
Jun-22				
Total	**23,584,284**	**100.0%**	**70,401**	**1.14**

Note: FY 2021 transactions were impacted by recovery from the pandemic. As such, the ratios of FY 2022 average daily transactions for each month compared to the FY 2021 annual average daily transactions are likely higher than they would have been had the pandemic not occurred.

Figure 4-3: Turnpike Monthly Traffic



4.1.4 Truck Traffic and Enforcement Policy

The share of truck traffic on the Turnpike has increased following the pandemic as auto traffic was reduced. In FY 2020, immediately prior to the pandemic, the share of truck traffic was approximately 14.5 percent, but reduction in auto traffic caused the full year share to increase to nearly 16.6 percent. The truck share of total transactions has remained elevated, with the FY 2021 value reaching 17.5 percent. The truck percentage of revenue prior the pandemic was 26.2 percent but has increased to approximately 30 percent for FY 2020 and FY 2021. It has remained elevated for the first 11 months of FY 2022. Table 4-7 shows this trend in commercial vehicles as well as the general trend in truck traffic and revenue from FY 2020 to FY 2022.

Table 4-7: Turnpike Truck Statistics, FY 2020 – 2022

Month	FY-20			FY-21			FY-22		
	Total Vehicles	% Truck	Truck % Revenue	Total Vehicles	% Truck	Truck % Revenue	Total Vehicles	% Truck	Truck % Revenue
July	2,581,982	12.9%	23.6%	1,817,791	17.6%	31.2%	2,512,887	12.8%	23.7%
August	2,660,918	12.5%	22.9%	1,995,185	16.6%	29.6%	2,511,447	13.3%	24.4%
September	2,171,417	14.5%	26.2%	1,829,912	18.6%	32.6%	2,106,101	15.9%	28.4%
October	2,182,965	16.0%	28.5%	1,892,118	17.8%	31.4%	2,211,712	15.8%	28.3%
November	2,226,554	14.1%	25.6%	1,750,477	18.0%	31.7%	2,214,285	14.5%	25.9%
December	2,270,738	13.8%	25.2%	1,714,916	19.2%	33.4%	2,158,053	15.9%	28.3%
January	2,007,054	16.8%	30.0%	1,589,355	19.5%	34.0%	1,597,550	20.0%	34.5%
February	1,763,916	16.5%	29.4%	1,317,150	21.1%	36.2%	1,705,224	18.7%	32.7%
March	1,436,909	22.0%	37.5%	1,879,004	18.9%	33.1%	1,985,792	19.1%	33.2%
April	842,665	35.7%	54.3%	2,087,928	16.4%	29.2%	2,301,164	15.9%	28.4%
May	1,483,470	23.8%	39.9%	2,311,860	14.8%	26.8%	2,280,069	16.1%	28.7%
June	1,723,260	19.1%	33.3%	2,362,118	14.7%	26.6%			
Total Year	**23,351,848**	**16.6%**	**29.6%**	**22,547,814**	**17.5%**	**31.0%**	**23,584,284**	**15.9%**	**28.4%**
Prior to Pandemic	**17,865,544**	**14.5%**	**26.2%**						

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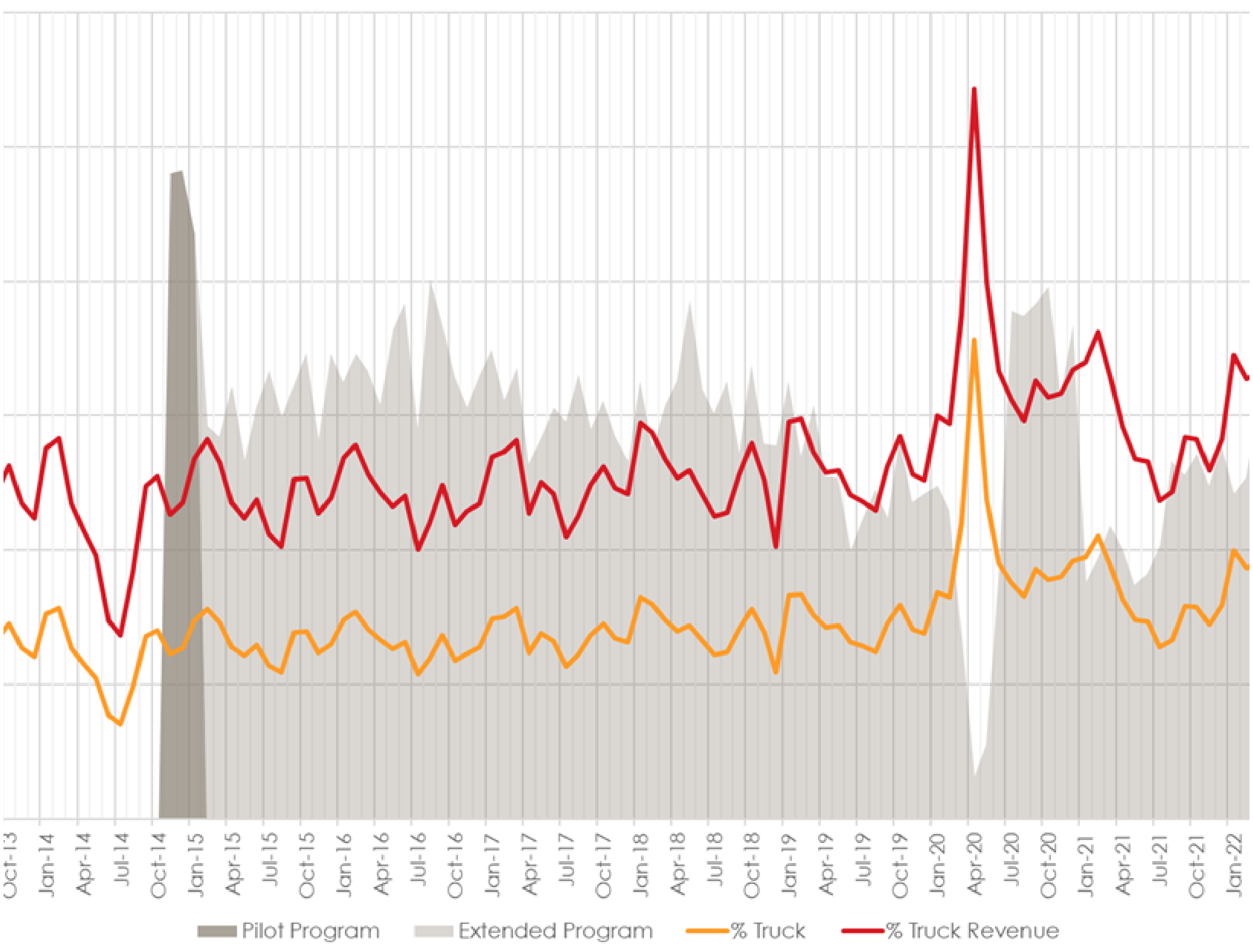
Traffic Characteristics

Due to the decrease in commercial traffic at Newark Plaza in FY 2014, DelDOT instituted a pilot program to enforce Newark Plaza toll evasion by commercial vehicles along competing toll-free roadways surrounding I-95. Starting November 2014, police heavily enforced 9-ton weight restrictions by stopping oversized vehicles sighted on the Christiana Parkway and SR 896. There was a noticeable spike in commercial traffic and revenue in the months following enforcement program inception, as can be seen between December 2014 and February 2015 in Figure 4-4. The program was extended in February FY 2015 but to a lesser degree and has been continued through FY 2022. Figure 4-4 shows the relationship between the number of hours worked in the enforcement program (pilot and extended) and truck statistics on I-95 over the duration of the enforcement program.

Figure 4-4: I-95 Truck Statistics vs. Enforcement Program Hours Worked



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4.2 SR 1 TOLL ROAD

In this section, traffic on SR 1 is characterized by method of toll payment (cash or E-ZPass), type of vehicle (auto/2-axle vehicle or truck), and monthly traffic patterns.

4.2.1 Toll Payment Method

With the introduction of E-ZPass on SR 1 Toll Road in April 1999, the E-ZPass market share increased from 19 percent in FY 2000 to 81.4 percent of the transactions in FY 2022 through May 2022. E-ZPass accounted for 80.9 percent of SR 1 Toll Road revenue in FY 2022 through May 2022. Table 4-8 lists the cash versus E-ZPass results for FY 2022 through the month of May.

Table 4-8: SR 1 Toll Road Cash vs. E-ZPass Results
FY 2022 through May

Payment Method	Annual Transactions		Toll Revenue		Average Toll
	Volume (000)	Percent of Total	Amount (000)	Percent of Total	
Cash	7,163	18.6%	$10,784	19.1%	$ 1.506
E-ZPass	31,384	81.4%	$45,783	80.9%	$ 1.459
Total	**38,547**	**100.0%**	**$56,567**	**100.0%**	**$ 1.467**

4.2.2 Plaza Statistics

While Table 4-8 disaggregates the traffic and revenue results for FY 2022 by payment type (cash and E-ZPass), Table 4-9 disaggregates the FY 2022 results by the mainline and ramp toll plazas.

Table 4-9: SR 1 Toll Road Transactions and Revenue by Toll Plaza
FY 2022 through May

Toll Plaza	Annual Transactions		Toll Revenue		Average Toll per Vehicle
	Volume	Percent of Total	Amount	Percent of Total	
Mainline					
Dover	14,158,948	39.1%	$ 24,934,940	48.6%	$ 1.76
Biddles	16,847,677	46.5%	$ 29,337,464	57.2%	$ 1.74
Subtotal	**31,006,625**	**80.4%**	**$ 54,272,403**	**95.9%**	**$ 1.75**
Ramps					
Denneys	3,808,119	10.5%	$ 1,333,175	2.6%	$ 0.35
Smyrna	2,318,695	6.4%	$ 308,070	0.6%	$ 0.13
Boyds	1,413,156	3.9%	$ 653,243	1.3%	$ 0.46
Subtotal	**7,539,970**	**19.6%**	**$ 2,294,488**	**4.1%**	**$ 0.30**
TOTAL	**38,546,595**	**100.0%**	**$ 56,566,891**	**100.0%**	**$ 1.47**

Note: Summarized from FY2022 data through May 2022

The FY 2022 results indicate that the two mainline plazas handle, by far, most of the traffic and collect the majority of revenue (80.4 percent of the traffic, 95.9 percent of the revenue). Biddles Corner Plaza is the busier of the two mainline plazas, which is justified given a significant amount of long-distance Dover-Wilmington traffic has dispersed prior to the Dover mainline plaza, including many trips that access the toll road at the Denneys Road ramps located two miles to the north.

4.2.3 Vehicle Types

Passenger cars are the majority of traffic on the SR 1 Toll Road, as shown in Table 4-10. In FY 2022 through the month of May, passenger cars were 93.1 percent of the traffic and 86.2 percent of the revenue. Although commercial vehicles were only 6.9 percent of the traffic, they accounted for 13.8 percent of the toll revenue due to the higher toll rates charged for vehicles with three or more axles.

Table 4-10: SR 1 Toll Road Transactions and Revenue by Vehicle Class FY 2022 through May

Vehicle Class	Transactions		Average Toll	Toll Revenue	
	Volume (000)	Percent of Total		Amount (000)	Percent of Total
Passenger Cars	35,892	93.1%	$ 1.358	$ 48,737	86.2%
Commercial Vehicles	2,655	6.9%	$ 2.949	$ 7,829	13.8%
Total	**38,547**	**100.0%**	**$ 1.467**	**$ 56,567**	**100.0%**

Note: Summarized from FY2022 data through May 2022

4.2.4 Monthly Traffic Patterns

In December of 2018 (FY 2019), the majority of construction on the US 301 Toll Road was completed and for next 12 months starting January 2019, the year-over-year comparison showed a significant reduction in truck traffic. However, starting in January 2020, truck traffic showed growth, since the prior January of 2019 also has construction-related truck traffic removed. Note that both January and February 2020, had growth in truck traffic, before the pandemic began to impact traffic.

While truck traffic tended to decrease, passenger car traffic increased more than 5 percent each month from October through January of FY 2019. The auto traffic increase over this four-month period could be attributed to the inclement weather in the Fall / Winter 2018, For example winter storm Avery in November 2018, and several other winter storms and cold waves between December 2018 and January 2019 which caused lower than average transactions for the months of November 2018 to January 2019. Subsequently, the mild Fall / Winter of 2019 might generate a slightly higher transactions during these winter months. Thus, the percent change between FY 2019 and FY 2018 is relatively high due the impact of the weather conditions. The impact of the pandemic is evident in the monthly breakdown of FY 2020 transaction data as March, April, and May passenger car transactions decreased by 29.7 percent, 56.7 percent, and 39.3 percent, respectively, compared to the same months of FY 2019. After this significant decline, traffic generally but slowly began to recover although it is still below pre-pandemic levels. Traffic dips in FY 2021 and FY 2022 are somewhat intertwined with case hikes caused COVID-19 infection. For example, in Winter 2022, the Omicron variant of COVID-19 brought another sharp dip in transactions that had not been seen since almost a year earlier in the pandemic.

Month-by-month traffic trends along SR 1 for FY 2019 to FY 2022 through May are presented for passenger cars and commercial vehicles in Table 4-11 and Table 4-12, respectively.

Table 4-11: SR 1 Toll Road Passenger Car Transactions, FY 2019 – FY 2022

Month	Passenger Cars							
	FY 2019	FY 18-19 Change	FY 2020	FY 19-20 Change	FY 2021	FY 20-21 Change	FY 2022	FY 21-22 Change
July	4,284,487	0.6%	4,250,702	-0.8%	3,544,199	-16.6%	4,296,688	21.2%
August	4,521,920	3.7%	4,382,929	-3.1%	3,583,026	-18.3%	4,124,123	15.1%
September	3,590,823	-0.4%	3,575,245	-0.4%	3,183,965	-10.9%	3,495,363	9.8%
October	3,639,574	5.3%	3,421,652	-6.0%	3,001,643	-12.3%	3,350,985	11.6%
November	3,358,801	5.3%	3,158,059	-6.0%	3,037,601	-3.8%	3,124,590	2.9%
December	3,271,057	8.2%	3,155,443	-3.5%	2,491,838	-21.0%	3,056,906	22.7%
January	2,926,659	8.7%	2,954,128	0.9%	2,418,846	-18.1%	2,274,737	-6.0%
February	2,682,621	-0.6%	2,867,233	6.9%	2,151,048	-25.0%	2,528,397	17.5%
March	3,189,647	3.7%	2,243,738	-29.7%	3,015,773	34.4%	2,950,859	-2.2%
April	3,365,720	0.8%	1,456,386	-56.7%	3,264,236	124.1%	3,212,743	-1.6%
May	3,647,724	-2.6%	2,214,824	-39.3%	3,598,468	62.5%	3,476,549	-3.4%
June	3,927,308	-2.2%	3,261,910	-16.9%	3,933,104	20.6%		
Total Year	42,406,341	2.3%	36,942,249	-12.9%	37,223,747	0.8%	35,891,940	7.8%

Table 4-12: SR 1 Toll Road Commercial Vehicle Transactions, FY 2019 – FY 2022

Month	Commercial Vehicles							
	FY 2019	FY 18-19 Change	FY 2020	FY 19-20 Change	FY 2021	FY 20-21 Change	FY 2022	FY 21-22 Change
July	287,163	2.3%	281,911	-1.8%	269,280	-4.5%	283,347	5.2%
August	308,970	2.7%	276,500	-10.5%	256,093	-7.4%	278,313	8.7%
September	252,664	-6.1%	241,366	-4.5%	252,477	4.6%	254,431	0.8%
October	283,386	4.8%	252,363	-10.9%	250,041	-0.9%	251,372	0.5%
November	237,829	-1.9%	211,763	-11.0%	213,496	0.8%	227,056	6.4%
December	215,193	-3.0%	201,584	-6.3%	205,197	1.8%	223,011	8.7%
January	206,673	-3.3%	211,339	2.3%	203,671	-3.6%	189,638	-6.9%
February	186,442	-10.3%	198,621	6.5%	170,452	-14.2%	199,935	17.3%
March	210,818	-10.1%	220,495	4.6%	216,859	-1.6%	242,528	11.8%
April	243,866	-4.3%	227,926	-6.5%	203,846	-10.6%	247,236	21.3%
May	254,702	-9.8%	249,324	-2.1%	228,298	-8.4%	257,788	12.9%
June	257,096	-8.6%	260,000	1.1%	258,378	-0.6%		
Total Year	2,944,802	-3.8%	2,833,192	-3.8%	2,728,088	-3.7%	2,654,655	7.5%

The monthly traffic variations along SR 1 Toll Road, in aggregate, are listed in Table 4-13 and shown graphically in Figure 4-5. Traffic is compared to the FY 2021 AADT (after the onset of the pandemic). The average daily toll transactions ranged from a low of 3 percent above the annual average in January 2022 to a high of 111 percent above the average in July 2021 compared to the FY 2021 average daily traffic, reflecting the effects of pandemic recovery and the peak of seasonal recreation travel in the summer to Delaware's shore points on the SR 1 Toll Road. Beginning in FY 2020, the pandemic had a significant impact on traffic across the country. As a result, Stantec also used the FY 2019 AADT, as referenced on

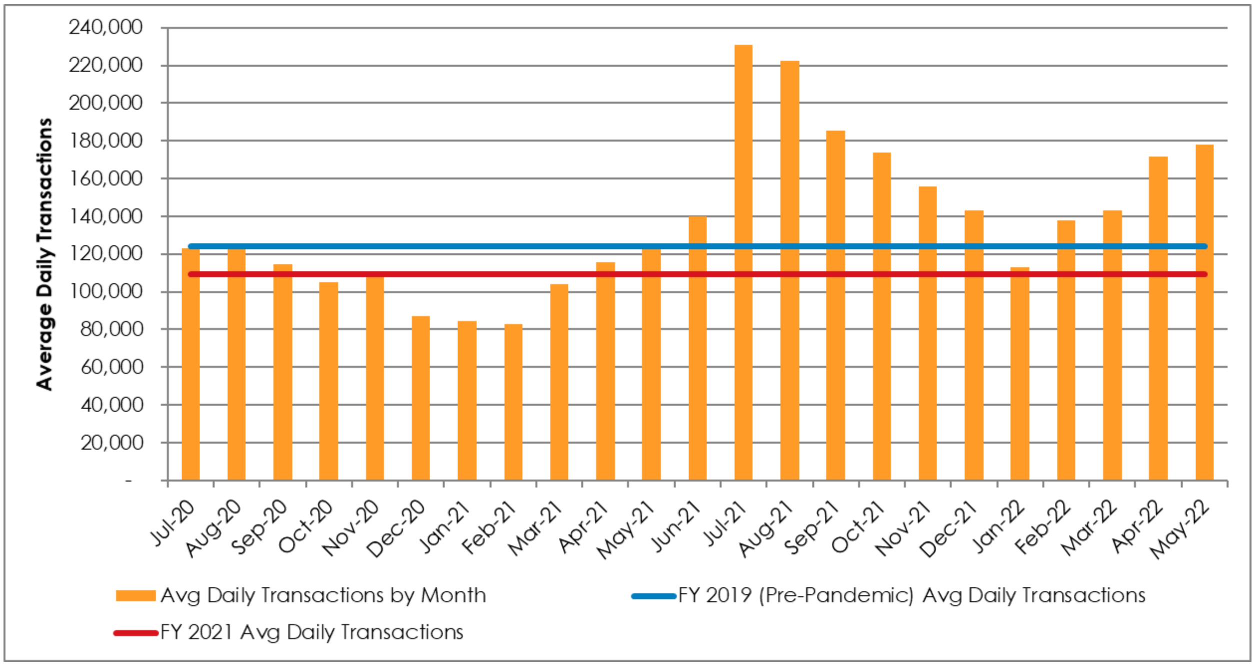
Figure 4-5, which was developed using a more stable FY 2019 traffic pattern, as a reference point to compare to the monthly traffic variation of the FY 2022 data.

Table 4-13: SR 1 Toll Road Monthly Traffic, FY 2022 through May

Month	Monthly Transactions		Average Daily Transactions	
	Volume	Percent of Year	Volume	Ratio to FY 2021 Annual Avg
Jul-21	7,153,250	12.6%	230,750	2.11
Aug-21	6,895,512	12.2%	222,440	2.03
Sep-21	5,560,046	9.8%	185,330	1.69
Oct-21	5,381,642	9.5%	173,600	1.59
Nov-21	4,680,487	8.3%	156,020	1.43
Dec-21	4,443,057	7.9%	143,320	1.31
Jan-22	3,495,195	6.2%	112,750	1.03
Feb-22	3,853,756	6.8%	137,630	1.26
Mar-22	4,441,928	7.9%	143,290	1.31
Apr-22	5,147,008	9.1%	171,570	1.57
May-22	5,515,011	9.7%	177,900	1.63
Jun-22				
Total	**56,566,891**	**100.0%**	**168,856**	**1.54**

Note: FY 2021 transactions were impacted by recovery from the pandemic. As such, the ratios of FY 2022 average daily transactions for each month compared to the FY 2021 annual average daily transactions are likely higher than they would have been had the pandemic not occurred.

Figure 4-5: SR 1 Toll Road Monthly Traffic Variations, FY 2022



5.0 FACTORS AFFECTING TRAFFIC GROWTH

5.1 POPULATION & EMPLOYMENT

With the Turnpike serving as a central link of I-95 between Washington and New York, the population of Delaware along with the four additional Northeast Corridor states of Maryland, Pennsylvania, New Jersey, and New York; and the District of Columbia provide the base from which most of the traffic passing through the Newark Plaza is generated.

The values in Table 5-1 include historical and projected population by state from Woods & Poole Economics, 2021 release version, for all years. As expected, the low level of annual growth reflects the extensive existing development of the regions served by the Turnpike. The compounded average growth rate of the corridor population for the last ten years from 2010 to 2020 is 0.2 percent per year, while the compounded growth rate of the Delaware population for that 10-year period is 0.9 percent per year. Population in the region is estimated to grow at an average annual rate of 0.3 percent from 2020 through 2030, which includes the period of the traffic and revenue estimates included in this report.

Table 5-1: Northeast Corridor Population

Year	Population (000)							Average Annual Growth
	DC	MD	DE	PA	NJ	NY	Total	
2000	572	5,311	786	12,284	8,431	19,002	46,386	-
2005	567	5,592	845	12,450	8,652	19,133	47,239	0.4%
2010	605	5,789	900	12,711	8,799	19,400	48,204	0.4%
2015	675	5,986	941	12,785	8,868	19,655	48,910	0.3%
2020	708	6,073	980	12,816	8,896	19,462	48,934	0.0%
2025	728	6,262	1,022	12,992	9,030	19,676	49,709	0.3%
2030	746	6,440	1,063	13,148	9,152	19,853	50,402	0.3%
2035	762	6,604	1,103	13,279	9,257	19,983	50,988	0.2%
2040	774	6,748	1,141	13,377	9,340	20,056	51,435	0.2%
2045	784	6,881	1,178	13,462	9,413	20,101	51,819	0.1%
2050	794	7,015	1,218	13,557	9,491	20,159	52,233	0.2%

Source: Woods and Poole, 2021 release

Unlike the Turnpike, which carries (through the Newark toll plaza) mostly interstate traffic in the Northeast Corridor, SR 1 serves mostly Delaware traffic and those motorists bound for the Delaware-Maryland shore in the summer. Accordingly, it is the projected population of Delaware that will sustain the future levels of SR 1 traffic. For the period 2020 – 2025, the average annual rate of growth for the State is 0.8 percent, as presented in Table 5-2. For the 20-year period from 2025 to 2045, the average annual rate of growth is 0.71 percent. Table 5-2 lists the historical and projected population of Delaware's three counties.

Table 5-2: Delaware Population Growth

Year	County Population (000)				Average Annual Growth Rate
	New Castle	Kent	Sussex	Total	
1980	399	98	98	595	-
1990	444	112	114	670	1.2%
2000	502	127	157	786	1.6%
2005	523	145	177	845	0.7%
2010	539	163	198	900	0.6%
2015	553	173	215	941	0.5%
2020	561	183	237	980	0.4%
2025	575	194	253	1,022	0.4%
2030	588	205	270	1,063	0.4%
2035	601	215	287	1,103	0.4%
2040	611	226	304	1,141	0.3%
2045	620	237	321	1,178	0.3%
2050	630	248	339	1,218	0.3%

Source: Woods & Poole, 2021 release.

Delaware employment in is expected to increase at a modest rate at 1.34 percent annually in the short term following the pandemic and 0.54 percent annually in the long term, as shown in Table 5-3. Table 5-4 shows the Northeast corridor employment date between 2010 and 2019.

Table 5-3: Delaware Employment Estimates

Area	Short Term (2021-2023)	Long Term (2018-2028)
New Castle		0.47%
Kent		0.62%
Sussex		0.64%
Statewide	1.34%	0.54%

Source: State of Delaware, Office of Occupational and Labor Market Information

Table 5-4: Northeast Corridor Employment

Year	Employment (000)							Average Annual Growth Rate
	DC	MD	DE	PA	NJ	NY	Total	
2010	314	2,838	398	5,841	4,121	8,770	22,282	-0.5%
2011	315	2,872	410	5,889	4,138	8,728	22,353	0.3%
2012	332	2,902	413	5,957	4,160	8,793	22,558	0.9%
2013	342	2,924	413	5,968	4,174	8,914	22,734	0.8%
2014	350	2,942	426	6,018	4,184	8,926	22,845	0.5%
2015	362	2,982	443	6,074	4,228	9,055	23,143	1.3%
2016	371	3,025	451	6,102	4,251	9,088	23,288	0.6%
2017	377	3,069	455	6,113	4,249	9,101	23,363	0.3%
2018	382	3,095	464	6,151	4,251	9,128	23,469	0.5%
2019	387	3,144	469	6,208	4,333	9,138	23,679	0.9%

Source: Woods & Poole, 2021 release.

As with the Turnpike, the population forecast, historic employment growth, and observed growth rates in transactions since the completion of SR 1 Toll Road were used as guidance for estimating future growth in transactions and revenue. These estimates are summarized in Chapter 6.0 of this report.

5.1.1 Future Developments

There are several major new and/or planned developments that will likely impact traffic on the Turnpike and SR 1. Amazon opened a new 3.8 million square-foot fulfillment center / warehouse in Newport, DE, in late summer 2021. The facility was constructed adjacent to SR 141 and I-95. Amazon has at least eight facilities planned or opened in Delaware, including plans for a new fulfillment center on Hamburg Road near New Castle.[2] Other planned developments that are expected to play a role in Delaware's economic, population, and thus, traffic growth, are[3]:

- Avenue North, a 335-apartment development accompanied by a hotel, fitness center, and retail complex on Concord Pike in Fairfax (north of I-95 Exit 8).
- College Square Shopping Center ("The Grove") on Library Avenue in Newark will be a mixed-use community with shops, restaurants, and 306-unit apartment complex.[4]
- The pharmaceutical company Incyte expanded its Augustine Cut-Off headquarters by nearly 200,000 square feet (the new research and development lab opened in the spring of 2022) and

[2] https://www.delawareonline.com/story/money/business/2021/09/21/amazon-opens-mega-warehouse-delaware/8347000002/
[3] https://www.delawareonline.com/story/news/2019/12/26/delaware-development-projects-tracking-entering-2020/4410900002/
[4] https://www.newarkpostonline.com/news/college-square-shopping-center-getting-a-new-name-as-redevelopment-project-progresses/article_aaf4a57b-389d-5de9-be38-0e0ee4ed7d0b.html

announced plans to expand the campus further. The future expansion is anticipated to house up to 1,200 employees.[5]

5.2 HIGHWAY NETWORK IMPROVEMENTS

Future highway network improvements ultimately will provide a better experience to Delaware's roadway users. However, construction of these projects may have an impact on traffic. The projects considered to impact transactions and revenue on I-95 and SR 1 are listed below.

- SR 141 Improvements, I-95 to Jay Drive – This improvement project will widen SR 141 at Commons Boulevard to provide additional through lanes and a triple left turn from Commons Boulevard. All SR 141 bridges over southbound I-95 will be reconstructed. The project is substantially complete; some final work, such as permanent roadway striping, is planned for early spring 2022 and construction is scheduled to be completed by spring of 2022.

- I-95 / SR 896 Interchange – There will be I-95 / SR 896 interchange improvements to improve safety and reduce congestion. This project is currently in the design and planning phase. In June 2020, DelDOT received a federal grant for $56.8 million that will allow the schedule for this project to begin approximately two years sooner than originally anticipated. Construction is anticipated to begin in 2022 and end in 2025.

- Rehabilitation of I-95 from I-495 to North of the Brandywine River Bridge – This project is currently in the construction phase and consists of bridge rehabilitation including deck repairs/replacement, spall repairs, sealing of the substructure and superstructure, barrier replacement and painting of the steel girders along I-95 from I-495 to north of the Brandywine River Bridge. Ramps and bridges at Martin Luther King Boulevard will also be improved. Portions of the project have been broken out into smaller contracts that will be done before or after the mainline contract. These additional contracts will minimize the long-term lane closures on I-95 to two years. Long-term lane closures and contra-flow on I-95 for the mainline contract began in February 2021 for Phase 1. The project moved to Phase 2 in mid-December 2021 and construction is projected to be completed by summer 2023.

- I-295 Northbound, SR 141 to US 13 – This project is in the design and planning phase and will include additional capacity improvements for I-295 northbound from the I-95 / SR 141 interchange to US 13 to help alleviate the congestion associated with the I-95 northbound to I-295 northbound ramps. Construction is anticipated to begin in 2024 and end in 2025.

- Rehabilitation of Bridges 1-719, 1-720, 1-738, and 1-739 on I-95 – This project will include bridge rehabilitations for four bridges identified by the DelDOT Bridge Management System as in need of repair. The existing bridge decks are in fair condition with multiple existing patches and new potholes emerging and spreading across the decks that will need to be remedied. The rehabilitation efforts will also include the replacement of approach slabs and deck joints which are displaying

[5] https://delawarebusinesstimes.com/insider-only/incyte-outlines-friends-campus-expansion-plans/

signs of deterioration. This project is currently in the design and planning phase and construction is anticipated to begin in 2024 and end in 2025.

- All-Electronic Tolling (AET) Construction at the John F. Kennedy Memorial Highway/I-95 Toll Plaza – The MDTA began AET construction work in May 2021 at the JFK/Susquehanna toll plaza. The project will implement highway-speed AET at the toll plaza on an interim basis until permanent AET conversion can be studied, designed, and constructed. The middle lanes will be converted to AET lanes first and, once that work is completed and northbound traffic can shift to the new lanes, the MDTA will remove the remaining toll booths in lanes 9 through 12 to convert these lanes to AET. These interim improvements are anticipated to be completed by early 2022.[6]

- New Chesapeake Bay Crossing – As of April 2022, Maryland has federal approval to move forward with plans to build a new Chesapeake Bay crossing. MDTA studied 14 potential options for a new bridge and selected an area adjacent to the two existing Chesapeake Bay Bridge spans (US 50/301 corridor between Annapolis area and Queen Anne's County).[7] The next phase of planning – a "Tier 2" study that would produce an exact location for the third span and consider environmental and traffic impacts associated with the project – is expected to last four years.[8]

- US 40 and SR 896 Interchange Improvements – This project is in the design and planning phase and will include the construction of a grade separated interchange at US 40 / SR 896 to improve safety and reduce congestion. Construction is anticipated to begin in 2024 and end in 2026.

- US 40 and SR 72 Intersection Improvements – This project to reconstruct and widen the intersection of US 40 and SR 72 to provide operational and safety benefits was completed in fall 2021.

- US 40, Salem Church Road to Walther Road – Design is underway. An additional travel lane will be provided in each direction along with multi-use paths along US 40 from Salem Church Road to Walther Road. Construction is anticipated to start in 2023 and end in 2026.

- SR 1 Widening, SR 273 to the Roth Bridge – This project will widen SR 1 from SR 273 to the Roth Bridge as well as improve interchanges. It is in the design and planning phase and does not have a scheduled construction start date. However, DelDOT has implemented several smaller scale upgrades while the larger project continues through the process.

For the most part, the DelDOT improvement projects listed above are relatively localized and thus are not likely to have a major impact on I-95 traffic. The projects in Maryland are anticipated to have minimal impact as well; phased implementation for the AET construction at the John F. Kennedy Memorial Highway/I-95

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[6] https://mdta.maryland.gov/blog-category/mdta-news-releases/construction-related-all-electronic-tolling-begins-next-month-jfk-i
[7] https://www.marylandmatters.org/2022/04/21/maryland-wins-approval-to-design-new-bay-crossing-near-existing-bridge/
[8] https://www.marylandmatters.org/2022/06/10/queen-annes-officials-get-their-wish-state-funding-for-new-bay-bridge-study/

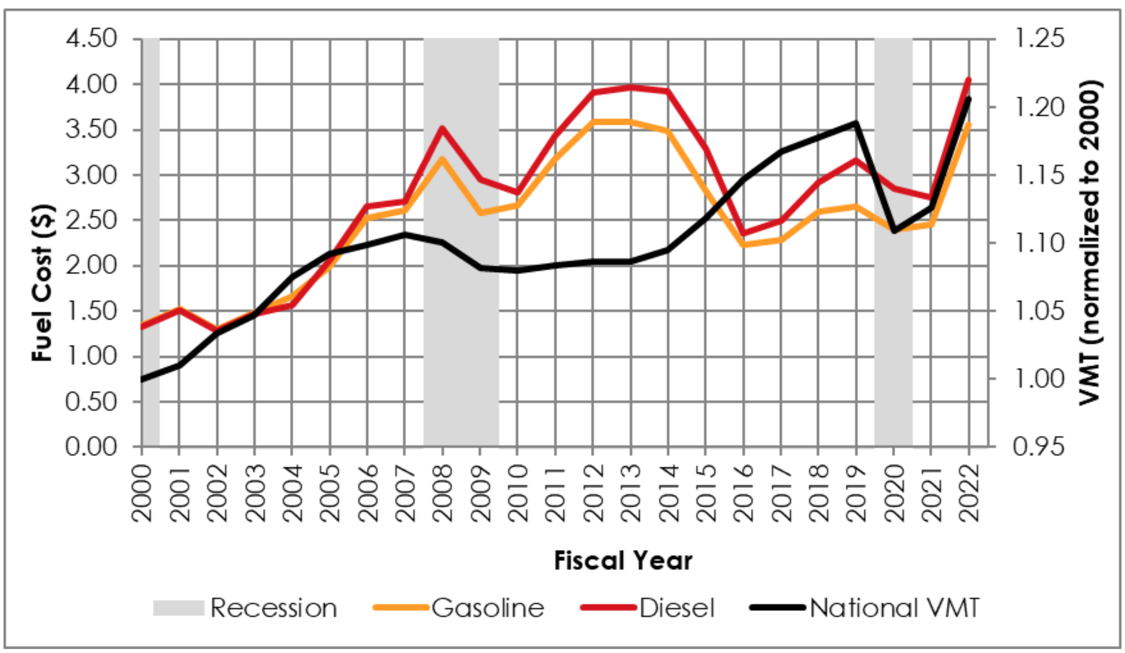
Toll Plaza will help mitigate the impact of that project on traffic, and the new Chesapeake Bay crossing project will have minimal impact on I-95 traffic for some time since the project is still in the design phase.

Locally, from a network perspective, the principal toll-free routes that run parallel to SR 1 in the corridor – US 13, and several miles to the west, SR 896/71 over the C&D Canal's Summit Bridge – have been fixtures in the network for some time. While localized improvements are continually being made to the highway system, none are expected to have a significant impact on the established traffic patterns that use SR 1.

5.3 FUEL PRICES AND VEHICLE MILES OF TRAVEL

The cost of fuel and or a recessionary period can be significantly impactful to travel patterns not only in the Turnpike Corridor but across the nation. As shown in Figure 5-1, the cost of gasoline and diesel fuel increased by 135 and 167 percent over the 9-year period from FY 2000 – FY 2008, reflecting the impact of Hurricane Katrina in FY 2005, while the increases through FY 2008 reflected strong worldwide demand, particularly in developing nations. In FY 2009, the price of fuel declined as the impact of the Great Recession slowed the demand for travel and reduced fuel consumption. From 2010 to 2012, recovery from the Great Recession increased demand for fuel and the corresponding cost until 2012 when the cost stabilized. While gasoline and diesel fuel prices dropped between 2014 and 2016 (falling 38 and 41 percent by 2016, respectively, from the annual average prices documented in 2013), prices have generally increased until the onset of the pandemic which changed this trend.

Figure 5-1: Fuel Cost Trends



Source: U.S. Energy Information Agency

Notes: (1) Data for the Total Annual Index of national VMT and Total Annual Average of fuel prices are calculated across the fiscal year of each year plotted.
(2) Data plotted for the Year 2022 Index considers data through March of FY 2022 VMT data as compared to the same months of FY 2000 data.

For a brief period in July 2008, the average price of gasoline was the highest recorded at $4.062 nationally. Prices then dropped in the second half of 2008, remaining steady through 2009 and increasing through 2010. In May 2011, the next peak, prices were an average $3.906 per gallon nationally. February 2016 had the lowest average gas prices since the Great Recession at $1.764 per gallon nationally.

Between 2014 and 2016, fuel price declined and, inversely, national vehicle miles traveled (VMT) increased. Since 2016, fuel prices have generally increased with VMT through 2019, as depicted in Figure 5-1 above. In 2020, the annual average gasoline and diesel prices are decreasing with VMT, a trend that was also observed during and immediately following the Great Recession. In February 2020, before the stay-at-home measures prompted by the onset of the pandemic were announced in Delaware, the national average gas price was $2.442 per gallon.

In March 2020, the prices fell as demand decreased in response to the pandemic and associated state-by-state-determined stay-at-home orders. Fuel price began to slowly climb throughout 2021 as the effects of the pandemic faded which was then followed by a significant spike in March 2022 when the price of gasoline surpassed $4.00 for the first time since 2008 and the price of diesel fuel surpassed $5.00 for the first time ever. Russia's invasion of Ukraine and subsequent sanctions on Russia and other related actions created significant market uncertainties about the potential for future oil supply disruptions. As of May 2022, the U.S. Energy Information Administration reports that the price of gasoline averaged $4.44 and the price of diesel averaged $5.57.

Many factors contribute to both upward and downward changes in the price and availability of gasoline, and each factor has an unknown element that contributes to uncertainty. These factors include:

- Dependency on imported crude oil – U.S. dependency on imported fuel has decreased as a result of continued domestic development of light oil and increased development of offshore resources in the Gulf of Mexico (where there is a supply of oil). The U.S. Energy Information Administration (EIA), in the May 2022 Short Term Energy Outlook ("STEO"), reported their outlook remains subject to heightened levels of uncertainty resulting from a variety of factors, including Russia's invasion of Ukraine, the production decisions of Organization of the Petroleum Exporting Countries (OPEC), and the rate at which U.S. oil and natural gas producers increase drilling.

- Use of substitute fuels – the use of biofuels has increased in the US, thus reducing the need for gasoline.

- Motor vehicle fuel efficiency and level of demand – In 2012, the US Department of Transportation and the Environmental Protection Agency (EPA) issued standards that will increase fuel economy to the equivalent of 54.5 mpg for cars and light trucks by Model Year 2025.

While the recent surge in fuel prices may be attributed to recovery in demand following the pandemic, there are several indications that the economy is contracting and a recession is expected in the near term. A recession would likely lessen demand for fuel which would tend to reduce fuel prices, unless other supply constraints occur.

In the last ten years, VMT in the state of Delaware has followed increasing and decreasing trends similar to those trends exhibited in national total VMT. Data from the U.S. Federal Highway Administration shown in Table 5-5 indicate that VMT on a national level decreased 0.6 percent between 2010 and 2011 and increased 0.6 percent between 2011 and 2012. Similar patterns can be seen in data for Delaware and the neighboring state of New Jersey (the neighboring state of Pennsylvania did not reach an increase in VMT post-Great Recession until 2014). VMT in Delaware decreased from a high of 9.5 billion miles in 2006 down to 8.9 billion in 2011. By 2019, miles traveled in the State reached an annual level of 10.3 billion, but the upward trend was broken in 2020 as COVID-19 severely impacted travel; VMT in 2020 dropped 11.7 percent nationally and 17.3 percent in Delaware. In 2021, the most recent full year of data, there was significant recovery across all states shown in Table 5-5, although none returned to the levels seen in 2019 prior to the onset of the pandemic. This recovery appears to have continued in the first few months of 2022 as shown in the table.

Table 5-5: Vehicle Miles of Travel in U.S. and States Served by the Turnpike

	Annual VMT (millions)				
Calendar Year	US	DE	NJ	PA	MD
2010	2,967,266	9,118	73,538	104,217	55,597
2011	2,950,402	8,936	71,944	100,235	55,990
2012	2,968,567	9,125	73,864	99,318	56,280
2013	2,988,281	9,141	73,648	98,655	56,367
2014	3,025,656	9,365	73,856	99,033	57,342
2015	3,095,372	9,922	76,004	101,446	57,609
2016	3,174,407	10,150	76,464	101,404	58,481
2017	3,212,346	10,285	77,327	103,033	60,271
2018	3,231,261	10,277	77,462	101,933	59,833
2019	3,261,570	10,345	78,624	103,661	59,904
2020	2,879,711	8,553	62,539	86,594	50,663
2021	3,227,743	9,716	72,782	96,934	56,997
2022*	753,709	2,384	17,548	21,880	13,255
	Percent Change over Previous Year				
2011	-0.6%	-2.0%	-2.2%	-3.8%	0.7%
2012	0.6%	2.1%	2.7%	-0.9%	0.5%
2013	0.7%	0.2%	-0.3%	-0.7%	0.2%
2014	1.3%	2.5%	0.3%	0.4%	1.7%
2015	2.3%	5.9%	2.9%	2.4%	0.5%
2016	2.6%	2.3%	0.6%	0.0%	1.5%
2017	1.2%	1.3%	1.1%	1.6%	3.1%
2018	0.6%	-0.1%	0.2%	-1.1%	-0.7%
2019	0.9%	0.7%	1.5%	1.7%	0.1%
2020	-11.7%	-17.3%	-20.5%	-16.5%	-15.4%
2021	12.1%	13.6%	16.4%	11.9%	12.5%
2022*	5.6%	5.8%	9.6%	5.8%	9.4%

* Data through March 2022. Percent growths are from the same months in 2021.

Source: U.S. Federal Highway Administration.

The percent change for Delaware VMT and the Turnpike transactions are shown in Table 5-6 and plotted in Figure 5-2. While truck transactions follow a slightly different path, the patterns of change for Delaware VMT and Turnpike car transactions are similar even though the data sets are off by six months since the VMT data are reported on a calendar year basis while the Turnpike data are reported for the fiscal year. A notable difference between the patterns of the Delaware VMT and Turnpike car traffic figures in evident in 2019. Presumably, the opening of the US 301 Toll Road negatively impacted Turnpike traffic in that year; while State VMT increased over 2018 levels, Turnpike transactions decreased. Also of note is the discrepancy between the Delaware VMT and Turnpike car traffic decreases recorded at the onset of the pandemic in 2020. Truck traffic, however, did not have a drop associated with the pandemic. Rather, there was a slight increase in truck traffic. Turnpike transactions include April and May 2022 data while Delaware VMT does not include April and May 2022. Both Delaware VMT and Turnpike car traffic began to recover throughout 2021, although at different rates.

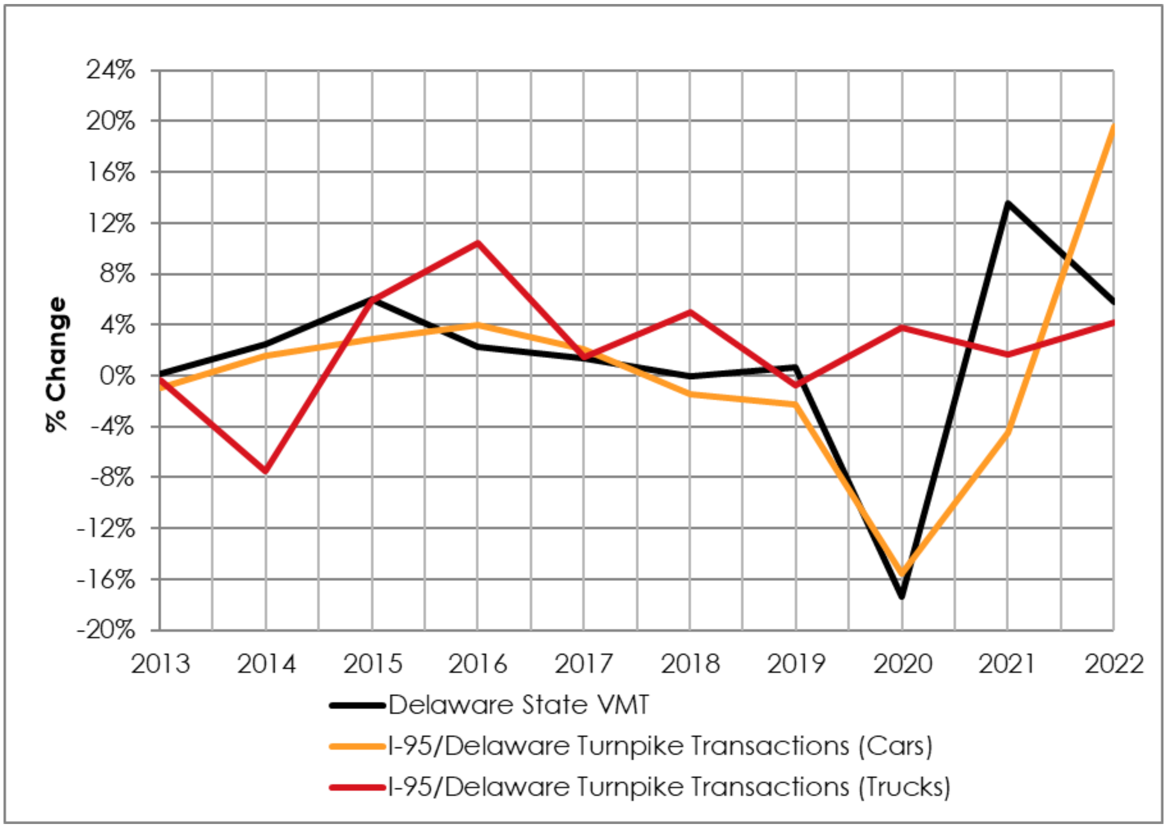
Table 5-6: Comparison of VMT Changes in Delaware and on the Turnpike

Year*	Percent Change over Previous Year		
	Delaware State VMT	I-95/Delaware Turnpike Transactions (Cars)	I-95/Delaware Turnpike Transactions (Trucks)
2013	0.2%	-1.0%	-0.4%
2014	2.5%	1.5%	-7.5%
2015	5.9%	2.8%	5.9%
2016	2.3%	4.0%	10.5%
2017	1.3%	2.0%	1.5%
2018	-0.1%	-1.5%	5.0%
2019	0.7%	-2.2%	-0.7%
2020	-17.3%	-15.5%	3.7%
2021	13.6%	-4.5%	1.6%
2022**	5.8%	22.6%	3.9%

* Fiscal year for the Turnpike data and Calendar Year for VMT data.
** Through March 2022 for State VMT and through May 2022 for the Turnpike Transactions.

Sources: Delaware Department of Transportation and U.S. Federal Highway Administration.

Figure 5-2: Comparison of Changes in VMT in Delaware and I-95 Transactions



In FY 2019, VMT throughout the Northeast Corridor and the nation increased. During that same period, transactions decreased on the Turnpike and further west on I-95 in Maryland. Table 5-7 shows the percent change in transactions from FY 2018 to FY 2019 at Delaware and Maryland toll plazas. Note that the percentages presented below do not reflect the impact of COVID-19 as the outbreak occurred in FY 2020. The decrease in traffic is attributable instead to the opening of the US 301 Toll Road in Delaware in January 2019 which induced traffic diversion.

Table 5-7: I-95 Toll Plaza Growth Comparison, FY 2018 – 2019

Plaza Name	Percent Change
I-95 Newark Plaza (DE)	-2.0%
JFK/Susquehanna Plaza (MD)	-1.6%

5.4 IMPACT OF US 301 TOLL ROAD

The purpose of this discussion is to summarize the early impacts from the completion of the US 301 Toll Road. While the project has been open for several years now, the impacts of the pandemic limit the usefulness of comparisons after FY 2019. In the first year since the opening of the US 301 Toll Road, mainline traffic as represented by total traffic traveling northbound and southbound at the Delaware/Maryland state line plazas grew 71 percent (from approximately 133,000 vehicles in January 2019 to approximately 227,000 vehicles in January 2020. Most of the traffic growth occurred within the first four months of opening, as traffic ramped up from January through April 2019.

During those same four months, traffic trends on I-95 did not deviate from the trend of declining total traffic that was exhibited prior to the opening of the US 301 Toll Road as shown in Table 5-8. From July through December 2018, total traffic declined at a rate of 2.6 percent compared to the previous year and from February through June 2019, total traffic declined only 1.0 percent compared to the previous year.

However, the opening of the US 301 Toll Road did seem to impact traffic at the northern section of SR 1. From July through December in FY 2019 prior to the opening of the US 301 Toll Road, SR 1 total transactions increased at a rate of about 3.3 percent compared to the same months in the previous year. The months following the opening of the US 301 Toll Road (February through June 2019), total transactions decreased 0.9 percent from the previous year.

Table 5-9 below compares total SR 1 transactions for the timeframes discussed (July through December and February through June) between the two years.

Table 5-8: US 301 Toll Road Opening Impact on the Turnpike, FY 2018 vs. FY 2019

Condition	Timeframe	I-95 Total Transactions		
		FY 2018	FY 2019	% Difference
Prior to US 301 Opening	Jul - Dec	14,529,539	14,154,792	-2.6%
After US 301 Opening	Feb - Jun	11,041,391	10,926,922	-1.0%

Table 5-9: US 301 Toll Road Opening Impact on SR 1, FY 2018 vs. FY 2019

Condition	Timeframe	SR 1 Total Transactions		
		FY 2018	FY 2019	% Difference
Prior to US 301 Opening	Jul - Dec	23,478,107	24,251,867	3.3%
After US 301 Opening	Feb - Jun	18,135,160	17,965,944	-0.9%

The initial impacts from the completion of the US 301 connector have already been accounted for in the recent data. It is possible that SR 1 and I-95 may experience further diversion as more travelers become more familiar with US 301 Toll Road, although it would be difficult to specifically isolate the diversion as changes in traffic also include on-going growth in the region.

5.5 COVID-19 IMPACT

The COVID-19 pandemic has had and will continue to have a substantial impact on travel in the US. The impact of COVID-19 on both transactions and revenue is apparent in March, April, May, and June of 2020. On March 17, 2020, in response to the State of Emergency, all cash toll plazas on both I-95 and SR 1 were temporarily closed, and cash tolls were no longer accepted. Instead, patrons who would have paid cash tolls were billed via mail. A stay-at-home order also went into effect in Delaware on March 24, 2020, which impacted traffic statewide. Table 5-10 shows the percent change of the transactions between corresponding months in FY 2019 and FY 2020. In April 2020 – the height of the pandemic – the transactions at I-95 Newark Plaza and SR 1 were down by 63.9 percent and 53.3 percent, respectively, compared to April 2019 transactions. Recovery of Turnpike transactions from the height of the pandemic to May 2022 is exhibited in Table 4-4 for passenger cars and Table 4-5 for commercial vehicles, and recovery of SR 1 transactions from the height of the pandemic to May 2022 is exhibited in Table 4-11 for passenger cars and Table 4-12 for commercial vehicles. Note that the transactions shown in Table 5-10 include the cash transactions that were billed via mail during the months when the cash plazas were closed.

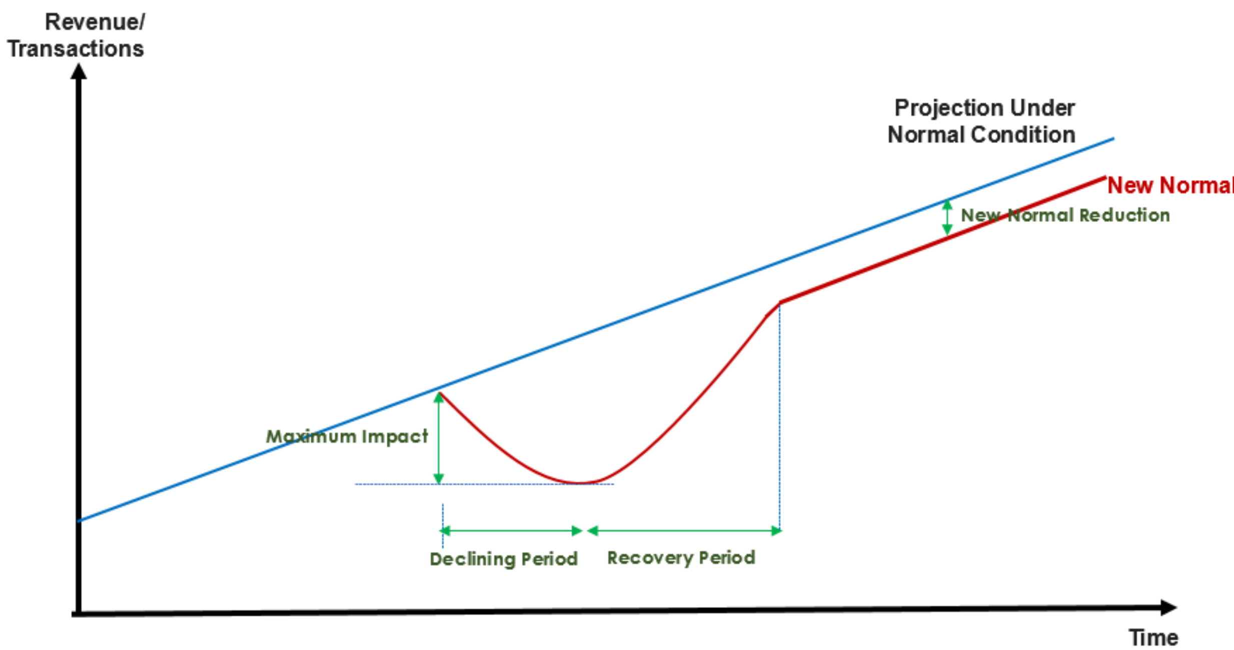
Table 5-10: Percent Transaction Change Between FY 2019 and FY 2020

Month	I-95 Newark Plaza			SR 1		
	FY 2019	FY 2020	FY 19-20 Change	FY 2019	FY 2020	FY 19-20 Change
July	2,616,464	2,581,982	-1.3%	4,571,650	4,532,613	-0.9%
August	2,652,038	2,660,918	0.3%	4,830,890	4,659,429	-3.5%
September	2,189,332	2,171,417	-0.8%	3,843,487	3,816,611	-0.7%
October	2,193,455	2,182,965	-0.5%	3,922,960	3,674,015	-6.3%
November	2,288,424	2,226,554	-2.7%	3,596,630	3,369,822	-6.3%
December	2,215,079	2,270,738	2.5%	3,486,250	3,357,027	-3.7%
January	1,711,343	2,007,054	17.3%	3,133,332	3,165,467	1.0%
February	1,678,889	1,763,916	5.1%	2,869,063	3,065,854	6.9%
March	2,070,706	1,436,909	**-30.6%**	3,400,465	2,464,233	**-27.5%**
April	2,336,354	842,665	**-63.9%**	3,609,586	1,684,312	**-53.3%**
May	2,389,657	1,483,470	**-37.9%**	3,902,426	2,464,148	**-36.9%**
June	2,451,316	1,723,260	**-29.7%**	4,184,404	3,521,910	**-15.8%**

Notes:
XXX - Percent change during COVID-19 pandemic period compared to previous year
COVID-19 pandemic period

Stantec used a combination of observed data, surveys, past recession trends, and our professional judgment to estimate the impact of the COVID-19 pandemic and the recession that followed. For the July 2020 report, Stantec prepared two potential scenarios to generate estimates that represent assumptions for the "*less severe / shorter recovery duration*" condition and the "*more severe / longer recovery duration*" condition. The purpose of these two scenarios was to provide a range of estimates due to the uncertainty of the depth and duration of COVID-19 outbreak. The shorter recovery duration scenario was considered as an optimistic estimate with an assumption that there will be fewer obstacles in overcoming the impact of COVID-19, for example, the timely invention of the vaccine, etc. In contrast, the longer recovery duration scenario assumed that there might be additional unknown impacts, such as the second wave of the outbreak, a deeper recession, etc., which could prolong the recovery process. Stantec also assumed that following the recovery period, the traffic or transactions would transition to a “new normal” condition, which is assumed to be lower than the original estimates prepared in 2016 and updated in 2019 due to potential changes in traveler behavior. Figure 5-3 shows the COVID-19 recovery concept.

Figure 5-3: The COVID-19 Recovery Concept



In order to estimate the recovery period, Stantec reviewed historical VMT data from past recessions, notably the 1973 recession with nationwide limitations on fuel availability and the more recent and more severe Great Recession. It took almost two years of recovery period after the 1973 recession to reach pre-recession VMT levels, and it took seven years after the Great Recession to reach pre-recession VMT levels. Based on this review, Stantec assumed two-year and five-year periods for the 2020 report shorter recovery and longer recovery scenarios, respectively, for auto (2-axle vehicle) trips. Stantec assumed that the impact of the pandemic would continue to be less severe on truck traffic since it was expected truck trips would be required to continue to distribute food and other necessities, while auto trips would be largely suppressed due to travel restrictions.

As previously mentioned, Stantec assumed that following the recovery period transactions, and subsequently revenue, would resume to a “new normal” condition. Stantec anticipated that the transactions under the new normal condition would be lower than estimates prepared prior to FY 2020 which did account for the impacts of a pandemic. The results from several research surveys, such as Arizona State University's and Stantec's surveys, indicate that there will be an increase of "work from home" activities in the post-pandemic period resulting in a decrease of home-based work trips. Although other trip purposes were not surveyed, it is reasonable to assume that those trips will also decrease. The advancement of communication technology, the increase in working from home and on-line shopping along with some constraint on travel from the severity of the recession, and other factors will likely contribute to the reduction of both work and discretional trips in the post-pandemic era, resulting in a new normal condition that reflects permanent changes in the patterns and characteristics of travel.

For this report, Stantec continues to assume that travel will recover to a new normal condition. Since FY 2020, actual traffic and revenue values reported for I-95 and SR 1 have aligned more closely with the shorter recovery scenario estimates prepared in July 2020 than with the longer recovery scenario estimates. This is consistent with the development of a near-term, readily available vaccine assumed in the short duration scenario. Note that while the shorter recovery scenario estimates assumed that stable traffic conditions would occur beginning in 2023, the turbulence of recent events have likely impacted the on-going rate of recovery. Stantec's new estimates assume that the traffic will stabilize beginning in FY 2026. As this report is being updated, the economy appears to be contracting and it is speculated that the economy may enter into a recession in the near term; according to a Financial Times survey conducted in June 2022, approximately 68 percent of economists surveyed project that the National Bureau of Economic Research – which identifies trends in economic expansions and contractions and thus determines when recessions begin and end — will declare a recession at some point in 2023.[9] With the economy slowing and gas prices high, it is reasonable to assume that the stabilization of overall traffic conditions will be delayed as people limit travel and spending.

[9] https://www.ft.com/content/53fcbbf1-39e3-483c-a6f2-b0de432ed5a3

6.0 TRAFFIC AND REVENUE ESTIMATES

Stantec developed the forecast of Turnpike and SR 1 traffic and toll revenue from FY 2022 to FY 2028 using the growth rate trends along with anticipated future economic conditions, as well as assessments of the pandemic and economic downturn related impacts.

6.1 I-95 DELAWARE TURNPIKE

Using the growth rate trends, along with anticipated future economic conditions and also assumptions listed in Section 6.3 accounting for the impact of the pandemic and slowing economic conditions in the near-term years (economic downturn), Stantec developed a forecast of Turnpike traffic, toll revenue, and concession revenue between FY 2022 and FY 2028. The annual growth rate of the Turnpike transactions ranges between -0.6 percent and 4.8 percent with a compounded annual growth rate (CAGR) of 2.3 percent between FY 2014 and FY 2018 as shown in Table 6-1. Although Table 6-1 shows the calculated CAGR from FY 2014 through FY 2022, FY 2019 through FY 2022 did not have usable data for this calculation. In order to exclude the impact of US 301 Toll Road opening on the growth rate, FY 2019 data was not included in the growth rate calculation. Additionally, the pandemic began in March 2020, towards the end of FY 2020, and heavily affected transactions through the end of FY 2021. Although FY 2020 is not used in the compounded CAGR calculation, as a reference, the first 8 months of FY 2020 were annualized to remove the impact of the pandemic on transactional growth and to estimate the transaction trend without a pandemic. An annual growth rate for FY 2021 was not calculated since the pandemic had such a negative effect on traffic patterns that a meaningful CAGR could not be isolated. Additionally, although it is not used in the compounded CAGR calculation, the first ten months of data for FY 2022 were also annualized as a reference point to show how traffic may look for the entire year. In FY 2022 through May 2022, traffic has significantly recovered but not to pre-pandemic levels of 2019.

Stantec estimated that in the post pandemic era or the “new normal” period, the transactions will not grow as strong as the pre-pandemic period due to numerous factors, such as reduced home-based work trips, etc. Therefore, Stantec assumed that that the annual growth in the new normal is half of the pre-pandemic annual growth rate, or approximately 1.1 percent. Table 6-2 presents the forecast for the Turnpike. Additionally, the concession rate reflects new operating conditions following the onset of the pandemic.

Table 6-1: Turnpike Annual Growth Rate Between FY 2014 and FY 2022

Fiscal Year	Transactions	Annual Growth	Condition
2014	**24,947,528**		**Pre-COVID**
2015	**25,750,813**	**3.2%**	
2016	**26,992,001**	**4.8%**	
2017	**27,518,693**	**2.0%**	
2018	**27,346,944**	**-0.6%**	
2019	**26,793,057**	**-2.0%**	
2020 [1]	27,298,675	1.9%	Prior to COVID
2021 [2]	22,547,814	-	COVID
2022 [3]	25,965,263	15.2%	Recovery Period
Compunded Annual Growth Rate (CAGR) between 2014 - 2018		**2.3%**	

Notes

1. To remove the effects of COVID, transactions from the first 8 months of FY 2020 were annualized.

2. Annual growth calculation not used since FY 2021 includes significant impacts from the pandemic and the annual background growth cannot be isolated.

3. Since transaction data are only available through May 2022, transactions from the first 11 months of FY 2022 were annualized.

Table 6-2: Turnpike T&R Forecast, FY 2021-2028

Fiscal Year	Annual Transactions		Annual Toll Revenue		Concession Revenue		Total Revenue	
	Volume (000)	Percent Change	Total (000)	Avg per Vehicle	Total (000)	Avg per Vehicle	Total (000)	Percent Change
2021	22,548		$ 107,788	$ 4.78	$ 1,360	$ 0.060	$ 109,148	
2022	25,963	15.1%	$ 121,726	$ 4.69	$ 1,714	$ 0.066	$ 123,439	13.1%
2023	26,681	2.8%	$ 125,126	$ 4.69	$ 1,761	$ 0.066	$ 126,887	2.8%
2024	27,145	1.7%	$ 127,233	$ 4.69	$ 1,792	$ 0.066	$ 129,025	1.7%
2025	27,872	2.7%	$ 130,237	$ 4.67	$ 1,840	$ 0.066	$ 132,077	2.4%
2026	28,399	1.9%	$ 132,577	$ 4.67	$ 1,874	$ 0.066	$ 134,451	1.8%
2027	28,722	1.1%	$ 134,230	$ 4.67	$ 1,896	$ 0.066	$ 136,125	1.2%
2028	29,049	1.1%	$ 135,906	$ 4.68	$ 1,917	$ 0.066	$ 137,823	1.2%

Notes: XXXX - Actual values received from DelDOT

FY 2022 - Values for the first 11 months of FY 2022 are actual data and values for the last month of FY 2022 is estimated

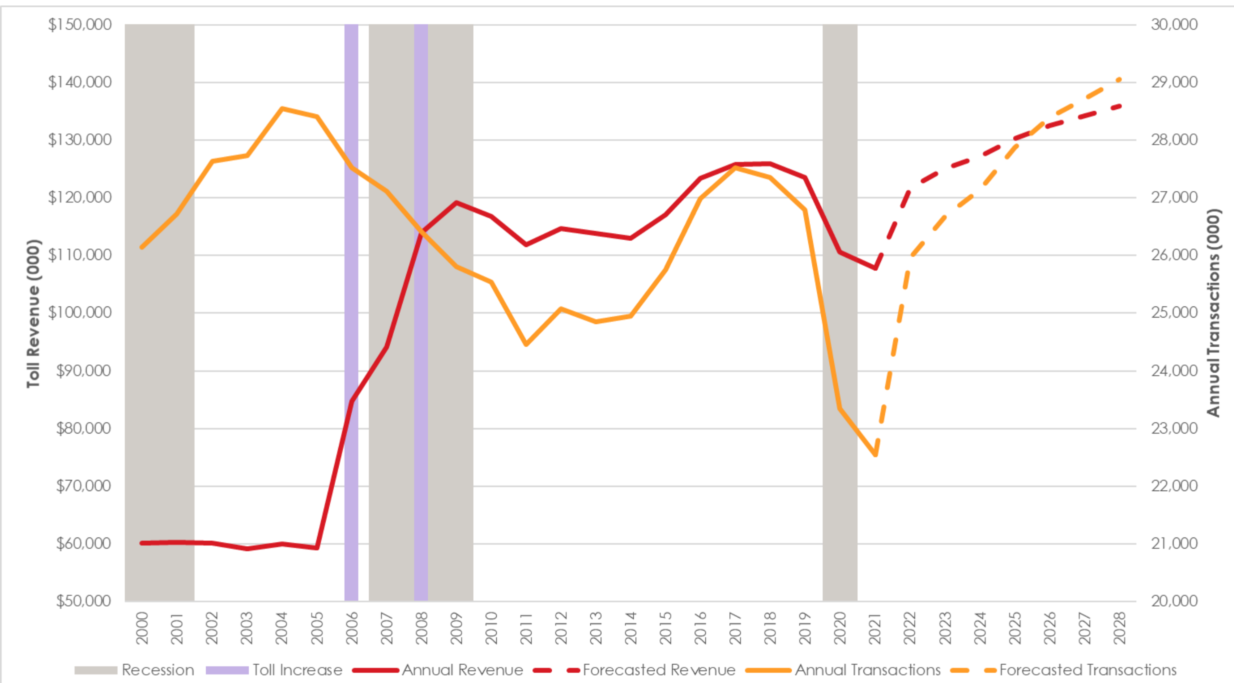
FY 2023 to FY 2028 - Stantec estimates

FY 2021 transactions and revenue are actual values provided by DelDOT. The first 11 months of the FY 2022 data are also actual values, while the last month of data of this fiscal year are Stantec's estimated values. In the forecast, the economic downturn lasts through the end of FY 2023, followed first by a slower pandemic recovery and economic recovery in FY 2024 (closer to the conclusion of the economic downturn) and then a bigger recovery through the end of FY 2025, when a stabilization of overall traffic conditions is reached.

The average toll per vehicle varies by year during the economic downturn and recovery period and stabilizes in the post pandemic era. The rate difference is mainly due to the difference in the truck composition through the pandemic and into the "new normal." Truck transactions have fared better than auto transactions throughout the pandemic, resulting in a higher percentage of trucks on the road and a consequent increase in average toll. As it is projected that the "new normal" will include slightly less auto transactions, mostly due to a loss of home-based work trips than there would have been without a pandemic, the higher proportion of trucks on the road will keep the average toll slightly higher.

The historical and estimated Turnpike transactions and toll revenue are shown in Figure 6-1.

Figure 6-1: Historical and Projected Turnpike Transactions and Toll Revenue, FY 1990 – 2028



6.2 SR 1 TOLL ROAD

The SR 1 transaction and revenue estimates were prepared using similar approach and assumptions as used in the I-95 Delaware Turnpike transaction and revenue estimates described in Section 6.1. The annual growth rates of the SR 1 Toll Road transactions from FY 2014 to FY 2018 are shown in Table 6-3. Using a similar growth assumption as that used for the Turnpike, the annual growth rate in the new normal is half of the pre-COVID-19 annual growth rate, or approximately 1.6 percent. Table 6-4 presents the forecast for the SR 1 Toll Road for FY 2021 through FY 2028. The historical and estimated SR 1 transactions and toll revenue are shown in Figure 6-2.

Table 6-3: SR 1 Toll Road Annual Growth Rate Between FY 2014 and FY 2022

Fiscal Year	Transactions	Annual Growth	Condition
2014	**39,071,626**		**Pre-COVID**
2015	**39,744,503**	**1.7%**	
2016	**42,331,638**	**6.5%**	
2017	**44,213,081**	**4.4%**	
2018	**44,520,191**	**0.7%**	
2019	**45,351,143**	**1.9%**	
2020 [1]	45,033,902	-0.7%	Partial COVID
2021 [2]	39,951,835	-	COVID
2022 [3]	42,656,328	6.8%	Recovery Period
Compunded Annual Growth Rate (CAGR) between 2014 - 2018		**3.3%**	

Notes

1. To remove the effects of COVID, transactions from the first 8 months of FY 2020 were annualized.

2. Annual growth calculation not used since FY 2021 includes significant impacts from the pandemic and the annual background growth cannot be isolated.

3. Since transaction data are only available through May 2022, transactions from the first 11 months of FY 2022 were annualized.

Table 6-4: SR 1 Toll Road T&R Forecast, FY 2021-2028

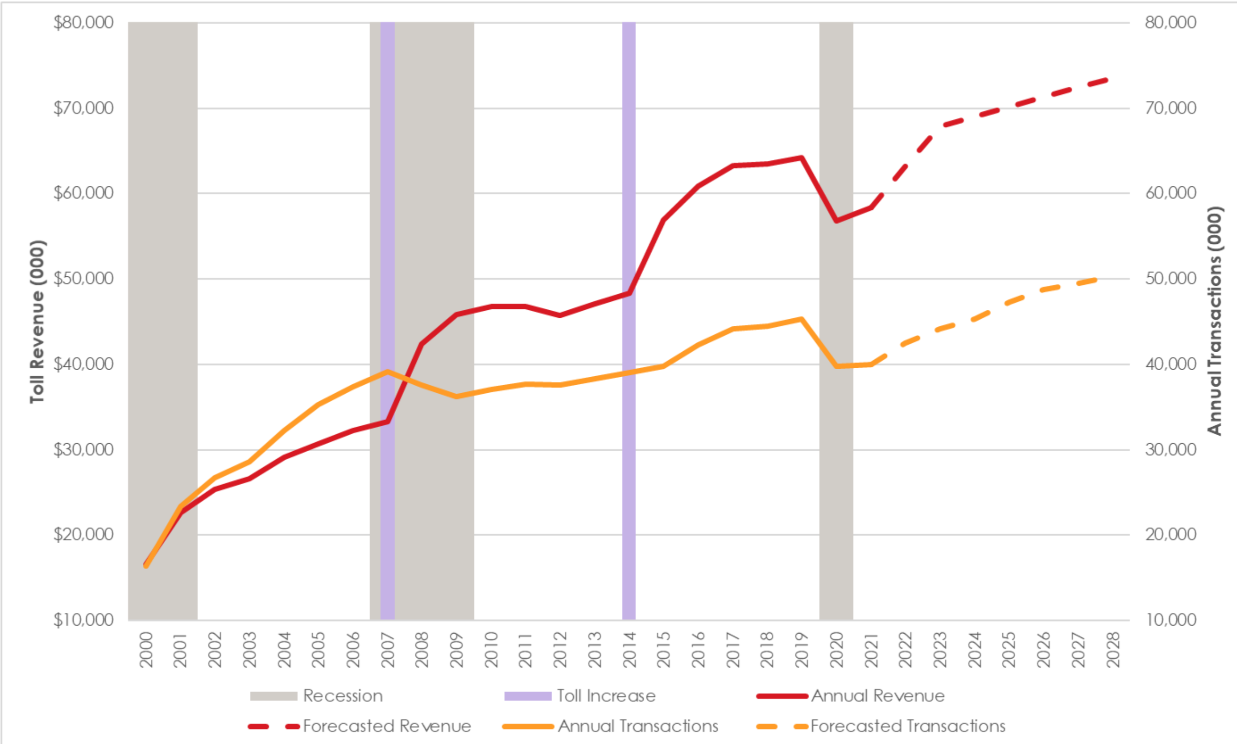
Fiscal Year	Annual Transactions		Annual Toll Revenue		
	Volume (000)	Percent Change	Total (000)	Avg per Vehicle	Percent Change
2021	39,952		$ 58,423	$ 1.46	
2022	42,550	6.5%	$ 63,193	$ 1.49	8.2%
2023	44,145	3.7%	$ 67,923	$ 1.54	7.5%
2024	45,326	2.7%	$ 69,012	$ 1.52	1.6%
2025	47,333	4.4%	$ 70,197	$ 1.48	1.7%
2026	48,741	3.0%	$ 71,341	$ 1.46	1.6%
2027	49,506	1.6%	$ 72,438	$ 1.46	1.5%
2028	50,282	1.6%	$ 73,552	$ 1.46	1.5%

Notes: XXXX - Actual values received from DelDOT

FY 2022 - Values for the first 11 months of FY 2022 are actual data and values for the last month of FY 2022 is estimated

FY 2023 to FY 2028 - Stantec estimates

Figure 6-2: Historical and Projected SR 1 Transactions and Revenue FY 2000 – 2028



6.3 COMBINED TOLL ROAD REVENUE ESTIMATES

Finally, the revenue estimates for the Turnpike and the SR 1 Toll Road were combined in this concluding section of the report. The combined estimates are shown in Table 6-5.

Table 6-5: Combined Revenue Forecast

Fiscal Year	Revenue (000)					Percent Change
	I-95/Delaware Turnpike			SR 1 Toll Road Tolls	Combined	
	Tolls	Concession	Total			
2021	$ 107,788	$ 1,041	$ 108,829	$ 58,423	$ 167,252	
2022	$ 121,726	$ 1,714	$ 123,439	$ 63,193	$ 186,633	11.6%
2023	$ 125,126	$ 1,761	$ 126,887	$ 67,923	$ 194,810	4.4%
2024	$ 127,233	$ 1,792	$ 129,025	$ 69,012	$ 198,037	1.7%
2025	$ 130,237	$ 1,840	$ 132,077	$ 70,197	$ 202,273	2.1%
2026	$ 132,577	$ 1,874	$ 134,451	$ 71,341	$ 205,792	1.7%
2027	$ 134,230	$ 1,896	$ 136,125	$ 72,438	$ 208,564	1.3%
2028	$ 135,906	$ 1,917	$ 137,823	$ 73,552	$ 211,375	1.3%

Notes: XXXX - Actual values received from DelDOT

FY 2022 - Values for the first 11 months of FY 2022 are actual data and values for the last month of FY 2022 are estimated

FY 2023 to FY 2028 - Stantec estimates

TRAFFIC & REVENUE REPORT I-95/DELAWARE TURNPIKE AND SR 1

Traffic and Revenue Estimates

Following is the list of assumptions upon which the revenue estimates for the Turnpike and SR 1 Toll Road were based:

- Continuation of the Turnpike and SR 1 Toll Road toll schedules throughout the forecast period. No significant changes will occur the toll rates in Maryland that would reduce the attractiveness of the I-95 corridor with respect to the US 301 corridor leading to Delaware.
- The US 13/St. Georges Bridge, which crosses the C&D canal adjacent to the SR 1 Bridge, will remain open during the forecast period, as will the SR 1 toll-free outlets at Road 412 and SR 299.
- During the forecast period, no competing limited-access, toll-free facility will be constructed in the Turnpike or SR 1 corridors aside from those discussed.
- The Turnpike and SR 1 Toll Road will be effectively signed and maintained to encourage maximum usage.
- Land development and travel patterns will generally follow the population forecasts discussed with respect to Table 5-1 and Table 5-2.
- Motor fuel will remain in adequate supply during the forecast period and no excessive increases in fuel taxes will be implemented at the state or federal level. Additionally, any recent spikes in fuel price will be limited in duration.
- No radical change in travel modes, which would drastically curtail motor vehicle use, is expected during the forecast period.
- No additional pandemics from new virus strains other than COVID-19 that cause government mandated travel restrictions.
- No significant periods of civil unrest or travel restriction associated with national or local security.
- As for the estimates themselves, while they are stated year-by-year, they are intended to show the trends that may be anticipated based on the above assumptions.

7.0 SUMMARY OF DISCLAIMERS AND LIMITATIONS

While the estimates in this Report are stated year-by-year, they are intended to show the trends that may reasonably be anticipated on the basis of the assumptions listed here in. It is our opinion that the revenue estimates are reasonable and that they have been prepared in accordance with accepted practice for investment-grade studies. However, given the uncertainties within the current international and economic climate, Stantec and DelDOT have agreed that:

- This report presents the results of Stantec's consideration of the information available to us as of the date hereof and the application of Stantec's experience and professional judgment to that information. It is not a guarantee of any future events or trends.
- The traffic and revenue estimates will be subject to future economic and demographic trends in Delaware and the Northeast Corridor that cannot be predicted with certainty.
- Analysis related to the COVID-19 pandemic utilized available transaction data through May 2022 provided by DelDOT. The estimates presented in this document assume no future additional pandemic-related restrictions, and no future pandemics have been assumed.
- The estimates contained in this document, while presented with numeric specificity, are based on a number of estimates and assumptions which, though considered reasonable to us, are inherently subject to uncertainties and contingencies, most of which are beyond the control of the DOT and cannot be predicted with certainty. In many instances, a broad range of alternative assumptions could be considered reasonable, and any changes in the assumptions used could result in material differences in estimated outcomes.
- If, for any reason, any of these stated conditions should change due to changes in the economy or competitive environment, the pandemic conditions and associated actions, or other factors, Stantec's opinions or estimates may require amendment or further adjustments.
- Stantec's toll revenue projections only represent its best judgment and Stantec does not warrant or represent that actual toll revenues will not vary from its projections, estimates, and forecasts.

The report contains forward-looking statements, revenue estimates, and statements of opinion based upon certain information. These forward-looking opinions, statements, and estimates include statements relating to pre-existing conditions not caused or created by Stantec and external conditions beyond our control. We believe that our expectations are reasonable and are based on reasonable assumptions. However, such forward-looking statements, projections and opinions, by their nature involve risks and uncertainties beyond our control. We caution that a variety of factors could cause the actual revenue associated with the I-95 / Delaware Turnpike and SR 1 Toll Road to differ from that expressed or implied in this document. We assume no obligation with respect to the differences between this document and the actual performance of the two toll facilities. This document was prepared solely for the use of DelDOT that commissioned it and the Delaware Transportation Authority. It may only be relied upon by third parties at their own risk. Under no circumstance Stantec be liable to third parties for claims or damage arising out of this document. Any unauthorized use of this document is at the user's sole risk.

We acknowledge with thanks the cooperation of the DelDOT staff during the course of this study.

Respectfully,

STANTEC CONSULTING SERVICES INC.

David Schellinger, PE
Principal

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