

THE STATE OF DELAWARE
\$275,425,000 GENERAL OBLIGATION BONDS
SERIES 2011

November 1, 2011

CONTRACT OF PURCHASE

The State of Delaware
Carvel State Office Building
820 N. French Street
Wilmington, Delaware 19801

Ladies and Gentlemen:

The undersigned (the “Representative”), acting on its own behalf and on behalf of the other underwriters named in the list attached hereto and made a part hereof as Exhibit “A”, as said list may from time to time be amended (with the consent of the State) prior to the Closing, (hereinafter defined) (the Representative and such other underwriters as finally determined are collectively referred to herein as the “Underwriters”), hereby offer to enter into this Contract of Purchase (the “Contract”) with The State of Delaware (the “Issuer” or the “State”). This offer is made subject to (i) acceptance by the State prior to midnight, Wilmington, Delaware time, on the date hereof, or at such other time as shall be agreed to by the State and the Representative and (ii) receipt of a good faith deposit in the amount of \$2,000,000 (the “Good Faith Deposit”) by the State from the Representative, as provided below. Upon such acceptance, this Contract of Purchase shall be in full force and effect and shall be binding upon the State and the Underwriters in accordance with its terms.

The Issuer acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Contract is an arm’s-length commercial transaction between the Issuer and the Underwriters, (ii) in connection with such transaction, each Underwriter is acting solely as a principal and not as an agent, municipal advisor, financial advisor or a fiduciary of the Issuer, (iii) the Underwriters have not assumed (individually or collectively) an advisory or fiduciary responsibility in favor of the Issuer with respect to the offering of the Bonds or the process leading thereto (whether or not any Underwriter, or any affiliate of an Underwriter, has advised or is currently advising the Issuer on other matters unrelated to the offering of the Bonds) or any other obligation to the Issuer except the obligations expressly set forth in this Contract and (iv) the Issuer has consulted with its own legal, financial or other advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in a resolution adopted on November 1, 2011 (the “Resolution”) by the Governor, the State Treasurer, the Secretary of State and the Secretary of Finance (the “Issuing Officers”) in

connection with the authorization of the issuance and sale of the Bonds. All references to dollars (\$) herein shall refer to the lawful money of the United States of America.

1. Good Faith Deposit. Delivered to the State herewith is the Good Faith Deposit in the form of a corporate check of the Representative payable to the order of The State of Delaware in the sum of \$2,000,000. In the event that the State accepts this offer, the State agrees that the Good Faith Deposit shall be held uncashed by the State until the time of Closing (as defined herein) at which time the Good Faith Deposit will be returned to the Representative upon payment of the Purchase Price (as defined herein) of the Bonds. In the event that the State does not accept this offer, the Good Faith Deposit shall be returned immediately to the Representative, in a reasonable period of time not to exceed five (5) business days. Should the State be unable to satisfy the conditions of the obligations of the Underwriters to accept delivery of and to pay for the Bonds as set forth in this Contract (unless waived by the Underwriters), or should such obligations of the Underwriters be terminated for any reason permitted by this Contract, the State shall immediately return the Good Faith Deposit to the Representative and the return of the check shall constitute a full release and discharge of all claims by the Underwriters against the State arising out of the transactions contemplated hereby. In the event that the Underwriters fail (other than for a reason permitted hereunder) to accept delivery of and to pay for the Bonds at Closing as herein provided, the Good Faith Deposit may be cashed by the State and the proceeds thereof retained by the State as full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriters and shall constitute a full release and discharge of all claims and rights hereunder of the State against the Underwriters, and the State shall not have any further cause of action for damages, specific performance or any other legal or equitable relief against the Underwriters.

2. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations set forth herein, the Underwriters, jointly and severally, hereby agree to purchase from the Issuer and the Issuer hereby agrees to sell to such Underwriters all (but not less than all) of the Issuer's \$275,425,000 aggregate principal amount General Obligation Bonds, Series 2011 (the "Bonds") for the Purchase Price set forth below.

\$225,000,000 of the Bonds shall be issued for the purpose of financing a portion of the State's capital facilities (the "2011 Capital Facilities Bonds"). The purchase price for the 2011 Capital Facilities Bonds shall be \$257,390,595.87 which is equal to the aggregate original principal amount of the 2011 Capital Facilities Bonds (\$225,000,000) less Underwriters' Discount for the 2011 Capital Facilities Bonds (\$464,998.58), plus net original issue premium (\$32,855,594.45).

\$50,425,000 of the Bonds shall be issued for the purpose of refunding outstanding general obligation bonds of the State pursuant to 29 Del. Code §7402(c) (the "2011 Refunding Bonds"). The purchase price for the 2011 Refunding Bonds shall be \$54,833,766.24 which is equal to the aggregate original principal amount of the 2011 Refunding Bonds (\$50,425,000) less Underwriters' Discount for the 2011 Refunding Bonds (\$82,582.16), plus original issue premium (\$4,491,348.40). The net proceeds of the 2011 Refunding Bonds will be deposited under the terms of an Escrow Agreement (the "Escrow Agreement") between the State and U.S. Bank

National Association, as escrow agent (the “Escrow Agent”) to refund various prior general obligation bonds of the State (the “Refunded Bonds”).

The aggregate purchase price for the Bonds shall be \$312,224,362.11 (the “Purchase Price”) which is equal to the aggregate original principal amount of the Bonds (\$275,425,000) less Underwriters’ Discount for the Bonds (\$547,580.74), plus net original issue premium (\$37,346,942.85).

3. Authority, Security and Description of the Bonds. The Bonds shall be issued pursuant to the Constitution and statutes of the State, the Resolution and the acts authorizing the issuance of the Bonds (the “Authorization Acts”).

The Bonds shall mature and bear interest in the years and at the rates, and shall be sold at the yields, all as set forth in the maturity schedule attached hereto as Exhibit “B”.

The Bonds maturing on or after July 1, 2021 are subject to redemption prior to maturity in whole or in part at any time and from time to time, at the option of the State, in any order of maturity and interest rate selected by the State (and within a maturity and interest rate by lot), beginning July 1, 2020, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest as set forth more fully herein.

4. Public Offering. The Underwriters agree to make a bona fide initial public offering of all of the Bonds at prices no higher than, or yields no lower than, those shown in the Official Statement. The Underwriters have heretofore designated Merrill Lynch, Pierce, Fenner & Smith Incorporated as the Representative. The Representative hereby confirms that it has been authorized to execute this Contract of Purchase on behalf of the Underwriters. The Underwriters reserve the right to change the initial prices of the Bonds as they shall deem necessary in connection with the marketing of the Bonds.

5. Preliminary Official Statement and Official Statement. The Issuer has previously delivered to the Underwriters for their review, and the Underwriters have reviewed a Preliminary Official Statement, dated October 25, 2011 (the “Preliminary Official Statement”), which the Issuer hereby “deems final” for purposes of Rule 15c2-12 (“Rule 15c2-12”) as promulgated and issued by the Securities and Exchange Commission (“SEC”). The Issuer ratifies and consents to the use by the Underwriters, prior to the date hereof, of the Preliminary Official Statement in connection with the public offering of the Bonds. The Preliminary Official Statement is subject to revision, amendments, and completion as permitted by applicable rules and regulations, particularly as to those terms and conditions of the Bonds to be determined at a date subsequent to delivery of the Preliminary Official Statement. The Preliminary Official Statement with only such changes therein as shall have been approved by the Representative and the Issuer, including the cover page and all appendices attached thereto, together with such amendments or supplements thereto as are required to be made in accordance herewith and with applicable rules and regulations subsequent to the date hereof, and which is delivered to the Underwriters, complete as of the date of such delivery, is herein called the “Official Statement”.

The Issuer shall provide, or cause to be provided to the Underwriters as soon as practicable after the Issuer's acceptance of this Contract of Purchase (but, in no event later than seven (7) business days after the Issuer's acceptance of this Contract of Purchase, and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement, executed by the Issuer (and conformed copies thereof) in sufficient quantity to enable the Underwriters to comply with the rules of the SEC and the Municipal Securities Rulemaking Board (the "MSRB"). The Issuer shall prepare, or have prepared, the Official Statement in word-searchable PDF format as described in Rule G-32 of the MSRB.

The Issuer authorizes the use and distribution of copies of the delivered Official Statement by the Underwriters in connection with the public offering and sale of the Bonds. The Issuer hereby authorizes the Representative and the Representative hereby agrees to file the Official Statement with the Electronic Municipal Market Access ("EMMA") System, which effective July 1, 2009 is the sole nationally recognized municipal securities information repository designated by the SEC.

If between the date hereof and the date of Closing, and for such period after the Closing as shall be necessary to enable the Underwriters to comply with the requirements of Rule 15c2-12, any event shall occur or be discovered or the Issuer shall learn any fact which would or might affect the accuracy or completeness of any material representations in the Official Statement, or cause the Official Statement to contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall notify the Representative thereof. If in the opinion of any of the Underwriters or the Issuer such event or fact requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer will prepare an appropriate amendment or supplement thereto, at the sole expense of the Issuer, in the form and in the manner approved by the Representative (and the Representative shall file, or cause to be filed, the same with EMMA, with which the Official Statement was filed as required in the preceding paragraph), so that the Official Statement as so amended or supplemented will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Issuer shall cooperate with the Underwriters in supplementing or amending the Official Statement in a form and in a manner approved by the Representative.

6. Covenants and Representations of the State. Unless otherwise stated herein, the State represents, warrants and covenants to the Underwriters that:

(a) By official action of the State, the Issuing Officers have duly adopted the Resolution which is in full force and effect as of the date hereof; the State has, and at the date of the Closing will have, full legal right, power and authority to enter into this Contract of Purchase, the Escrow Agreement and the Continuing Disclosure Agreement, to adopt the Resolution, and to issue and deliver the Bonds as provided herein; the State has duly authorized and approved the execution and delivery of, and the performance by the State of the obligations contained in the Bonds, this Contract of Purchase, the Escrow Agreement and the Continuing Disclosure Agreement; and the State has duly authorized and approved the performance by the State of its

obligations contained in the Resolution and the consummation by it of all other transactions contemplated by the Official Statement with respect to the Bonds and this Contract of Purchase is and will be in compliance with the provisions of the Resolution and the Authorization Acts. This Contract of Purchase, the Bonds, the Resolution, the Escrow Agreement and the Continuing Disclosure Agreement, when executed and delivered by the Issuer, constitute the legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency or other laws affecting the enforcement of creditors' rights and to general principles of equity).

(b) The Preliminary Official Statement has been delivered to the Underwriters and has been "deemed final" by the State, for purposes of Rule 15c2-12.

(c) Both at the time of acceptance hereof and at the time of Closing, the information contained in the Preliminary Official Statement and the Official Statement as it relates to the State is and will be true and correct in all material respects, and the Preliminary Official Statement does not and the Official Statement will not contain any untrue statement of a material fact or omit to state a material fact required to be stated or necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

(d) At the date hereof, the financial statements, supporting schedules and supplementary data of the State contained in the Preliminary Official Statement and the Official Statement and the appendices thereto fairly present the financial position and results of operation of the principal operating funds of the State as of the dates and for the periods therein set forth; and such financial statements, schedules and data have been prepared by the Office of the Secretary of Finance of the State.

(e) The Bonds and the Resolution conform in all material respects to the descriptions thereof contained in the Official Statement, and the Bonds when issued, and delivered in accordance with the Resolution and sold as provided herein, will be validly issued and outstanding general obligations of the State entitled to the benefits of Title 29 Delaware Code Section 7405 and the Resolution.

(f) All approvals, permits, consents, orders, authorizations of, and other actions by, and all filings, registrations with or notices to, any governmental or administrative authority or agency having jurisdiction in the matter (other than any approvals that might be required under the securities or Blue Sky laws of any jurisdiction) required in connection with the issuance and sale of the Bonds or the execution and delivery by the State of, or the performance of its obligations under the Bonds, and this Contract have been obtained and are in full force and effect.

(g) No litigation is pending or, to the knowledge of the State, threatened against the State or its officers (i) to restrain or enjoin issuance or delivery of any of the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, (iii) in any way contesting or affecting the powers of the State or the ability of the

State to perform its obligations under the Resolution or this Contract of Purchase, or (iv) that would materially adversely affect the financial condition or operations of the State.

(h) During the past five years, the Issuer has complied in all material respects with all continuing disclosure agreements to which it is a party in accordance with Rule 15c2-12.

7. Closing. At 10:00 A.M., Wilmington, Delaware time, on November 15, 2011 or at such other time as shall have been mutually agreed upon by the Representative and the State, the State will deliver to the order of the Underwriters at the offices of Saul Ewing LLP or through the facilities of The Depository Trust Company ("DTC"), as applicable, the Bonds in book-entry-only form and the Closing documents hereinafter mentioned. At the Closing, the Representative will accept such delivery and pay to, or upon the order of, the Issuer the Purchase Price of the Bonds as set forth in Section 2 hereof in immediately available funds. This payment and delivery is herein called the "Closing." The Bonds shall be made available for inspection by the Representative at the offices of DTC in New York, New York or at such other location agreed to by the Representative, two (2) business days before the Closing.

8. The Underwriters have entered into this Contract of Purchase in reliance upon the representations and warranties of the State set forth herein and the performance by the State of its obligations hereunder. The Underwriters' obligations under this Contract of Purchase are and shall be subject to the following further conditions:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct in all material respects at the date hereof and on the date of the Closing.

(b) At the time of the Closing (i) the Resolution and Authorization Acts shall be in full force and effect, and shall not have been amended, modified or supplemented (except as may be agreed to in writing by the Underwriters); (ii) the ratings of the Bonds as set forth in Section 8(c)(vi) hereof shall be in effect; and (iii) the Issuer shall perform or have performed all of its obligations required under or specified in this Contract of Purchase, the Official Statement, and the Resolution to be performed at or prior to the Closing.

(c) At or prior to the Closing and as a condition to the obligations of the Underwriters under this Contract, we shall receive the following documents:

(i) the opinion of Saul Ewing LLP, Bond Counsel to the Issuer, dated the date of the Closing, in form and substance substantially the same as attached to the Official Statement, together with a supplemental opinion of Bond Counsel in favor of the Underwriters, which includes reliance on the opinion of Bond Counsel, each in form and substance satisfactory to the Underwriters;

(ii) a certificate of the Issuer, dated the date of the Closing, executed by the Issuing Officers, to the effect that (A) on the date of the Official Statement and on the date of the certificate (i) the descriptions and statements of or pertaining to the Issuer contained in the Official Statement were and are true, complete and correct in all material respects; (ii) the Official Statement did not and does not contain an untrue statement of a

material fact or omit any statement or information necessary so as to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (iii) there has been no material adverse change in the condition, financial or otherwise of the State, from the date hereof to the date of Closing and from that set forth in the Official Statement; and (B) the representations and warranties of the Issuer in the Contract of Purchase are true, complete and correct on and as of the date of Closing, and the Issuer has complied with and performed all of its covenants and agreements in the Contract of Purchase to be complied with and performed at or prior to the Closing;

(iii) a certificate dated the date of the Closing, by the Attorney General of the State or Deputy Attorney General, to the effect that other than as described in the Official Statement, no litigation is pending or, to his knowledge, threatened in any court to restrain or enjoin the issuance or the validity of any proceedings authorizing issuance of the Bonds, or the levy or collection of any material portion of the taxes or other revenues of the State, or contesting in any way the completeness, accuracy or fairness of the Official Statement; and that neither the legal existence of the State nor the titles of the officials of the State signatory thereto to their respective offices are being contested;

(iv) a certificate of the Secretary of Finance as to debt limitations of the State;

(v) a certificate of the Issuing Officers that the Authorization Acts are in full force and effect and have not been repealed, amended or modified;

(vi) copies of the letters, from Moody's Investors Services, Inc., Standard & Poor's Corporation and Fitch Ratings, to the Issuer giving the Bonds the ratings of "Aaa", "AAA" and "AAA", respectively;

(vii) a certificate respecting federal tax matters, dated the date of Closing, signed by the State Treasurer, in form and substance acceptable to the Representative;

(viii) the Resolution, certified by the Secretary of State as having been duly adopted by the Issuing Officers and as being in effect, with only such changes or amendments as have been agreed to by the Representative;

(ix) a certificate of the Issuing Officers certifying as genuine the signatures of the Issuing Officers signing the Bonds;

(x) a certificate of the State Treasurer acknowledging receipt of payment for the Capital Facilities Bonds and directing the proceeds of the Refunding Bonds to be delivered to the Escrow Agent;

(xi) the Escrow Agreement;

(xii) the Continuing Disclosure Agreement; and

(xiii) such additional certificates, instruments and other documents as we may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing of the Issuer's representations and warranties contained in this Contract of Purchase and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer pursuant to this Contract of Purchase.

The opinions and certificates and other materials referred to above shall be in form and substance satisfactory to the Representative and to Cozen O'Connor, Counsel to the Underwriters.

9. The Issuer shall pay or cause to be paid the expenses incident to the performance of its obligations hereunder including but not limited to (a) the cost of the preparation and printing or other reproduction (for distribution on or prior to the date hereof) of the Resolution, the Preliminary Official Statement, the Official Statement and the other documents mentioned herein; (b) the fees and disbursements of Saul Ewing LLP, Public Financial Management Inc., and any other experts or consultants retained by the Issuer; (c) the costs and fees of the credit rating agencies; (d) the cost of preparing and delivering the definitive Bonds; and (e) the cost of preparation and printing or other reproduction of this Contract of Purchase. The Underwriters shall pay all expenses incurred by them in connection with their public offering, and the costs of the preparation, reproduction and distribution of any underwriting documents, the fees and expenses of Cozen O'Connor, Counsel to the Underwriters, fees and expenses of SIFMA, I-PREO, CUSIP, DTC, Day Loan, Dalcomp, advertisement and their travel, and the cost of the federal funds wire with respect to the payment for the Bonds; provided, however, the Underwriters shall not pay any travel, entertainment, food, lodging or deal memento expenses of any official or employee of the Issuer. Certain payments may be in the form of inclusion of such expenses in the expense component of the Underwriters' Discount.

10. The Underwriters have heretofore designated the undersigned as their representative. Merrill Lynch, Pierce, Fenner & Smith Incorporated hereby represents to the State that it (a) has been duly authorized to execute this Contract of Purchase and that it has been duly authorized to act hereunder on behalf of the other Underwriters, and (b) is registered under the Securities Exchange Act of 1934, as amended, as a broker or dealer or as a municipal securities dealer or is exempt from registration pursuant to rules adopted or an order issued by the Securities Exchange Commission. The Representative agrees that it will obtain CUSIP numbers for the Bonds, and at the Closing will deliver a Certificate as to the initial offering price with respect to the sale of the Bonds reasonably satisfactory to Bond Counsel. Any notice or other communication to be given to the Issuer under this Contract of Purchase may be given by delivering the same in writing to the Secretary of Finance, Carvel State Office Building, 820 French Street, Wilmington, DE 19801, with a copy to the Director of Bond Finance; and any notice or other communication to be given to the Underwriters under this Contract of Purchase may be given by delivering the same in writing to Merrill Lynch, Pierce, Fenner & Smith Incorporated, 214 North Tryon Street, Charlotte, NC 28255, Attention: D. Scott Detar, Jr., Director.

11. This Contract of Purchase when accepted by the State in writing as heretofore specified shall constitute the entire agreement between the parties hereto and is made solely for the benefit of the Issuer and the Underwriters (including any successor in business of any Underwriter). No other person shall acquire or have any right hereunder or by virtue hereof. All of our respective representations, warranties and agreements in this Contract of Purchase shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of the Underwriters, (b) delivery of and payment for the Bonds hereunder, and (c) any termination of this Contract of Purchase.

12. The Underwriters may terminate their obligations under this Contract of Purchase at any time by notifying the State in writing and with reasonable detail at any time at or prior to the Closing if:

(a) Any legislation is introduced in, or enacted by, the United States Congress, or shall have been reported out of committee, or any decision is rendered by any court of competent jurisdiction, or any ruling or regulation, temporary regulation, release or announcement shall have been issued or proposed by the Treasury Department of the United States, the Internal Revenue Service, or any other agency of the government of the United States that, in the reasonable opinion of the Underwriters, has the purpose or effect of subjecting interest on the Bonds to inclusion in gross income for federal income tax purposes or has a material and adverse effect upon the ability of the Underwriters to sell the Bonds at the contemplated offering prices;

(b) Any legislation, ordinance, rule or regulation is introduced in, or enacted by, any governmental body, department or agency of the State, or shall have been reported out of committee, or a decision by any court of competent jurisdiction within the State is rendered, that, in the reasonable opinion of the Underwriters, has the purpose or effect of subjecting interest on the Bonds to Delaware income tax or otherwise has a material and adverse effect upon the ability of the Underwriters to sell the Bonds at the contemplated offering prices;

(c) Any other action or event shall exist or have transpired which has the purpose or effect, directly or indirectly, of materially adversely affecting the federal or Delaware income tax consequences of the transactions contemplated by the Official Statement, and in the reasonable opinion of the Underwriters, materially adversely affects the market for the Bonds or the sale at the contemplated offering prices by the Underwriters of the Bonds;

(d) Any fact exists or any event occurs that, in the reasonable opinion of the Underwriters, makes untrue or incorrect in any material respect any statement or information in the Official Statement or causes the Official Statement to contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading for the purposes for which the Official Statement is to be used;

(e) Any amendment of or supplement to the Official Statement is distributed (whether or not such amendment or supplement was approved by the Underwriters prior to its distribution) which, in the reasonable opinion of the Underwriters, has a material and adverse effect upon the ability of the Underwriters to sell the Bonds at the contemplated offering prices;

(f) There shall have occurred any outbreak, continuation or resumption of hostilities, whether declared or undeclared, or other national or international calamity or crisis, the effect of which, in the reasonable opinion of the Underwriters, has a material and adverse effect upon the ability of the Underwriters to sell the Bonds at the contemplated offering prices;

(g) Any legislation is introduced in, or enacted by the United States Congress, or any action is taken by, or on behalf of, the SEC, that in the opinion of the Underwriters has the effect of requiring (i) the registration of a security under the Securities Act of 1933, as amended or under the Securities Exchange Act of 1934, as amended, in connection with the offering and sale of the Bonds or (ii) any governmental consents, approvals, orders or authorizations for the consummation of the transactions contemplated by this Contract of Purchase, the Official Statement, or the Resolution, which cannot, without undue expense, be obtained prior to the Closing;

(h) There shall have occurred a general suspension of trading on the New York Stock Exchange, or a general banking moratorium is declared by the United States or by State authorities, that, in the reasonable opinion of the Underwriters, has a material and adverse effect upon the ability of the Underwriters to sell the Bonds at the contemplated offering prices;

(i) Any fact exists or any event occurs that is not disclosed in the Preliminary Official Statement which after disclosure in the Official Statement affects the ability of the Underwriters to sell the Bonds at the contemplated offering prices; or

(j) There shall have occurred any downgrading or any written notice shall have been given of any intended or potential downgrading of the State's obligations (including the rating to be accorded to the Bonds) by any nationally recognized statistical rating organization.

13. This Contract of Purchase shall be governed by the laws of The State of Delaware.

Very truly yours,

By: Merrill Lynch, Pierce, Fenner & Smith
Incorporated, as Representative

By: D. Scott [Signature]

Title: Director

Accepted on _____, 2011

THE STATE OF DELAWARE

By: _____
Secretary of Finance

The Undersigned hereby approve the terms and conditions of the Bonds set forth on Exhibit "B", and the manner by which they are awarded to the Underwriters.

State Treasurer

Budget Director

Controller General

Very truly yours,

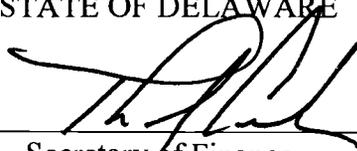
By: Merrill Lynch, Pierce, Fenner & Smith
Incorporated, as Representative

By: _____

Title: _____

Accepted on November 1, 2011

THE STATE OF DELAWARE

By:  _____
Secretary of Finance

The Undersigned hereby approve the terms and conditions of the Bonds set forth on Exhibit "B", and the manner by which they are awarded to the Underwriters.

State Treasurer

Budget Director

Controller General

Very truly yours,

By: Merrill Lynch, Pierce, Fenner & Smith
Incorporated, as Representative

By: _____

Title: _____

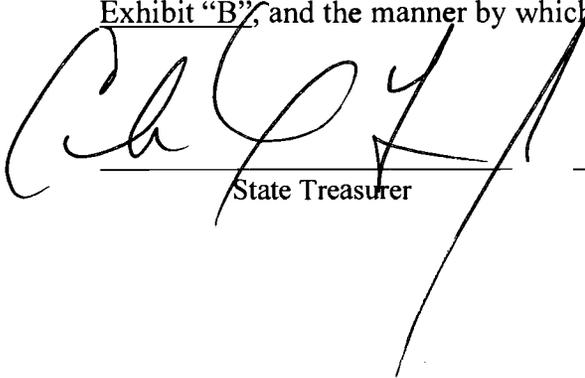
Accepted on November 1 2011

THE STATE OF DELAWARE

By: _____

Secretary of Finance

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State Treasurer

Budget Director

Controller General

Very truly yours,

By: Merrill Lynch, Pierce, Fenner & Smith
Incorporated, as Representative

By: _____

Title: _____

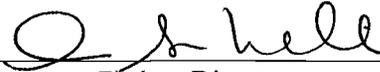
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THE STATE OF DELAWARE

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Secretary of Finance

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State Treasurer



Budget Director

Controller General

Very truly yours,

By: Merrill Lynch, Pierce, Fenner & Smith
Incorporated, as Representative

By: _____

Title: _____

Accepted on November 1, 2011

THE STATE OF DELAWARE

By: _____

Secretary of Finance

The Undersigned hereby approve the terms and conditions of the Bonds set forth on Exhibit "B", and the manner by which they are awarded to the Underwriters.

State Treasurer

Budget Director



Controller General

EXHIBIT "A"

UNDERWRITERS

Merrill Lynch, Pierce, Fenner & Smith
Incorporated

Citigroup Global Markets Inc.

Morgan Stanley & Co. LLC

M&T Securities, Inc.

PNC Capital Markets LLC

RBC Capital Markets, LLC

Siebert Brandford Shank & Co., L.L.C.

EXHIBIT "B"

MATURITY SCHEDULE

2011 Capital Facilities Bonds

<u>Maturity (July 1)</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Reoffering Yield (%)</u>	<u>Price</u>
2012	11,845,000	2.000	0.208	101.123
2013	11,845,000	4.000	0.420	105.801
2014	11,845,000	5.000	0.640	111.342
2015	11,845,000	5.000	0.960	114.368
2016	11,845,000	5.000	1.260	116.760
2017	11,845,000	5.000	1.480	118.938
2018	1,665,000	2.500	1.720	104.865
2018	10,180,000	5.000	1.720	120.460
2019	11,845,000	5.000	2.000	121.123
2020	11,845,000	5.000	2.250	121.453
2021	605,000	3.000	2.390	104.728*
2021	11,240,000	5.000	2.390	120.236*
2022	870,000	2.500	2.500	100.000
2022	10,975,000	5.000	2.500	119.291*
2023	11,845,000	5.000	2.640	118.099*
2024	11,845,000	5.000	2.780	116.922*
2025	11,845,000	5.000	2.960	115.429*
2026	1,335,000	3.000	3.070	99.177
2026	10,510,000	5.000	3.070	114.528*
2027	11,845,000	5.000	3.170	113.715*
2028	285,000	3.250	3.220	100.221*
2028	11,560,000	5.000	3.220	113.312*
2030	11,820,000	5.000	3.410	111.794*
2031	2,360,000	3.500	3.460	100.293*
2031	9,455,000	5.000	3.460	111.398*

* Bonds are priced to first call date of July 1, 2020.

2011 Refunding Bonds

<u>Maturity (July 1)</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Reoffering Yield (%)</u>	<u>Price</u>
2012	3,680,000	2.000	0.208	101.123
2013	1,450,000	2.000	0.420	102.560
2013	7,600,000	4.000	0.420	105.801
2014	1,200,000	2.000	0.640	103.537
2014	4,610,000	5.000	0.640	111.342
2015	2,360,000	2.000	0.960	103.698
2015	6,335,000	5.000	0.960	114.368
2016	3,585,000	2.000	1.260	103.315
2016	1,115,000	5.000	1.260	116.760
2017	2,255,000	2.250	1.480	104.142
2017	2,410,000	5.000	1.480	118.938
2018	4,620,000	2.500	1.720	104.865
2019	875,000	2.500	2.000	103.519
2019	3,725,000	5.000	2.000	121.123
2020	2,715,000	2.750	2.250	103.899
2020	1,890,000	5.000	2.250	121.453