

THE STATE OF DELAWARE  
\$306,870,000 GENERAL OBLIGATION BONDS, SERIES 2014B

October 22, 2014

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," and each individually, an "Underwriter"), hereby offer to enter into this Contract (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 \$2,250,000 (the "Good Faith Deposit") by the State from the Representative, as provided below. Upon such acceptance, this Contract 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 primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm's-length commercial transaction between the Issuer and the Underwriters, and the Underwriters may have financial and other interests that differ from those of the Issuer; (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) any advisory or fiduciary responsibility in favor of the Issuer with respect to the offering of the Bonds (as defined herein) and the discussions, undertakings and process leading thereto (whether or not any Underwriter, or any affiliate of an Underwriter, has provided other services or are currently providing other services to the Issuer on other matters unrelated to the offering of the Bonds); (iv) the only obligations the Underwriters have to the Issuer with respect to the transaction contemplated hereby are expressly set forth in this Contract; and (v) the Issuer has consulted with its own legal, financial, municipal, accounting, tax 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 October 22, 2014 (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 \$2,250,000. In the event that the State accepts this offer, the State agrees that the Good Faith Deposit shall be cashed by the State and the proceeds thereof held by the State until the time of Closing (as defined herein) at which time the amount of the Good Faith Deposit will be deducted from 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 Good Faith Deposit 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 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 \$306,870,000 aggregate principal amount General Obligation Bonds, Series 2014B (the "Bonds") for the Purchase Price (as defined herein) set forth below.

The purchase price for the Bonds shall be \$359,725,855.31 (the "Purchase Price") which is equal to the aggregate principal amount of the Bonds (\$306,870,000.00) less Underwriters' Discount for the Bonds (\$303,514.54), plus net original issue premium (\$53,159,369.85). The net proceeds of the Bonds (i) will be deposited under the terms of an Escrow Agreement, to be dated the date of Closing (the "Escrow Agreement"), between the State and U.S. Bank National Association, as escrow agent (the "Escrow Agent"), to refund various outstanding prior general obligation bonds of the State pursuant to 29 Del. Code §7402(c) (the "Refunded Bonds"); and (ii) will be used to finance a portion of various capital facilities of the State and to provide financing for other capital projects, as authorized by the Authorization Acts (defined below).

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, 2025 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, 2024, 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 (as defined herein). The Underwriters have heretofore designated J.P. Morgan Securities LLC as the Representative. The Representative hereby confirms that it has been authorized to execute this Contract 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 and may offer and sell the Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by one or more of the Underwriters at prices lower than the public offering prices or yields greater than the yields set forth in the Official Statement.

5. Preliminary Official Statement and Official Statement.

(a) The Issuer has previously delivered to the Underwriters for their review, and the Underwriters have reviewed a Preliminary Official Statement, dated October 10, 2014 (the "Preliminary Official Statement"), which the Issuer hereby "deems final" as of its date and as of the date hereof for purposes of Rule 15c2-12 ("Rule 15c2-12") as promulgated and issued by the Securities and Exchange Commission ("SEC"), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) thereof. 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. It is acknowledged by the Issuer that the Underwriters may deliver the Preliminary Official Statement and a final Official Statement electronically over the internet and in printed paper form. For purposes of this Contract, the printed paper form of the Preliminary Official Statement and the Official Statement are deemed controlling.

(b) 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".

(c) The Issuer shall provide, or cause to be provided to the Underwriters as soon as practicable after the Issuer's acceptance of this Contract (but, in no event later than seven (7) business days after the Issuer's acceptance of this Contract and not later than two (2) business days before the Closing, 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") and to meet potential customer requests for copies of the Official Statement. The Issuer shall prepare, or have prepared, the Official Statement in a form that permits the Underwriters to satisfy their obligations under the rules and regulations of the MSRB, including as a word-searchable PDF format as described in Rule G-32 of the MSRB.

(d) 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 a copy of the Official Statement with the MSRB's Electronic Municipal Market Access ("EMMA") System, which effective July 1, 2009 is the sole nationally recognized municipal securities information repository designated by the SEC.

(e) 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.

(f) In order to assist the Underwriters in complying with Rule 15c2-12, the Issuer has undertaken, pursuant to the Continuing Disclosure Agreement, dated November 15, 2011 (the "Original Disclosure Agreement") to provide annual financial information and notices of the occurrence of specified events. The Issuer has agreed to supplement the Original Disclosure Agreement to make it applicable to the Bonds (as so supplemented, the "Disclosure Agreement"). A description of the Disclosure Agreement is set forth in, and a form of the

Original Disclosure Agreement is attached as an appendix to, the Preliminary Official Statement and the Official Statement.

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, the Escrow Agreement and the 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, the Escrow Agreement and the 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 is and will be in compliance with the provisions of the Resolution and the Authorization Acts. This Contract, the Bonds, the Resolution, the Escrow Agreement and the 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). To the best knowledge of the Issuer, this Contract, the Bonds, the Resolution, the Escrow Agreement and the Disclosure Agreement have been executed and delivered, or will be executed and delivered on or before the Closing, by each respective signatory and are currently in full force and effect or, as of the Closing, will be in full force and effect.

(b) The adoption of the Resolution, the issuance, delivery and sale of the Bonds and the execution and delivery of this Contract, the Escrow Agreement and the Disclosure Agreement and compliance with and performance of the Issuer's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either, or of any other governmental agency.

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

(d) Both as of its date and at the time of acceptance hereof, the information contained in the Preliminary Official Statement (excluding therefrom the information under the captions "THE BOOK-ENTRY ONLY SYSTEM" and "UNDERWRITING," as to which no representations and warranties are made) was and is true and correct in all material respects, and the Preliminary Official Statement does 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.

(e) Both at the time of acceptance hereof and at the time of Closing, the information contained in the Official Statement (excluding therefrom the information under the captions "THE BOOK-ENTRY ONLY SYSTEM" and "UNDERWRITING," as to which no

representations and warranties are made) is and will be true and correct in all material respects, 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.

(f) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including the time of the Closing, the Official Statement as so supplemented or amended will be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) 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, and there has not been any materially adverse change in the financial condition of the State or in its operations since the date of such financial statements.

(h) 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.

(i) All approvals, permits, consents, orders, authorizations of, and other actions by, and all filings, registrations with or notices to, any governmental or administrative authority, agency or other body 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, the Escrow Agreement, the Disclosure Agreement and this Contract have been obtained and are in full force and effect.

(j) No litigation, proceeding or official investigation of any governmental or judicial body is pending or, to the knowledge of the State, threatened against the State or its officers (i) to restrain or enjoin issuance, sale or delivery of any of the Bonds or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on 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, or (iv) that would materially adversely affect the financial condition or operations of the State.

(k) Except as set forth in the Official Statement, 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.

(l) Any certificates executed by any officer of the Issuer and delivered to the Underwriters pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Issuer as to the accuracy of the statements made therein.

(m) Between the date hereof and the time of the Closing, the Issuer shall not, without the prior written consent of the Representative, offer or issue in any material amount any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the Issuer or except for such borrowings as may be described in or contemplated by the Official Statement.

7. Closing. At 10:00 A.M., Wilmington, Delaware time, on November 6, 2014 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 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 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 Representative); (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, 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 (A) to restrain or enjoin the issuance or delivery of any of the Bonds 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, (B) contesting in any way the completeness, accuracy or fairness of the Official Statement or (C) contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds or the Resolution; 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 Bonds and directing a portion of the proceeds of the Bonds to be delivered to the Escrow Agent;

(xi) an opinion of Cozen O'Connor, Counsel to the Underwriters in form and substance acceptable to the Representative;

(xii) the Escrow Agreement;

(xiii) the Disclosure Agreement; and

(xiv) 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 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.

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. 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. J.P. Morgan Securities LLC hereby represents to the State that it (a) has been duly authorized to execute this Contract 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 and substantially in the form attached hereto as Exhibit "C". Any notice or other communication to be given to the Issuer under this Contract 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 may be given by delivering the same in writing to J.P. Morgan Securities LLC, 383 Madison Avenue, 8<sup>th</sup> Floor, New York, NY 10179, Attention: Public Finance.

11. This Contract 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 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.

12. The Underwriters may terminate their obligations under this Contract 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, (ii) qualification of the Resolution under the Trust Indenture Act of 1939 or (iii) any governmental consents, approvals, orders or authorizations for the consummation of the transactions contemplated by this Contract, 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 shall be governed by the laws of The State of Delaware.

Very truly yours,

By: J.P. MORGAN SECURITIES LLC,  
as Representative

*Original on File*

By: \_\_\_\_\_

Title: Executive Director

Accepted on October \_\_, 2014

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: J.P. MORGAN SECURITIES LLC,  
as Representative

By: \_\_\_\_\_

Title: \_\_\_\_\_

Accepted on October 22, 2014

THE S *Original on File*

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: J.P. MORGAN SECURITIES LLC,  
as Representative

By: \_\_\_\_\_

Title: \_\_\_\_\_

Accepted on October \_\_\_\_, 2014

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.

*Original on File* /

\_\_\_\_\_  
Budget Director

\_\_\_\_\_  
Controller General

Very truly yours,

By: J.P. MORGAN SECURITIES LLC,  
as Representative

By: \_\_\_\_\_

Title: \_\_\_\_\_

Accepted on October \_\_\_\_, 2014

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.

*Original on File*



\_\_\_\_\_  
State Treasurer

DUGEN DUCOWI

\_\_\_\_\_  
Controller General

Very truly yours,

By: J.P. MORGAN SECURITIES LLC,  
as Representative

By: \_\_\_\_\_

Title: \_\_\_\_\_

Accepted on October \_\_\_\_, 2014

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.

*Original on File*

\_\_\_\_\_  
State Treasurer

\_\_\_\_\_  
Budget Director

\_\_\_\_\_  
Controller General

**EXHIBIT "A"**

**UNDERWRITERS**

J.P. Morgan Securities LLC

Citigroup Global Markets Inc.

Merrill Lynch, Pierce, Fenner & Smith  
Incorporated

Morgan Stanley & Co. LLC

M&T Securities, Inc.

PNC Capital Markets LLC

Raymond James & Associates, Inc.

RBC Capital Markets

**EXHIBIT "B"**

**MATURITY SCHEDULE**

<b><u>Maturity (July 1)</u></b>	<b><u>Principal Amount (\$)</u></b>	<b><u>Interest Rate (%)</u></b>	<b><u>Reoffering Yield (%)</u></b>	<b><u>Price</u></b>
2015	11,845,000	3.000	0.110	101.885
2016	1,025,000	2.000	0.320	102.766
2016	10,820,000	4.000	0.320	106.060
2017	11,845,000	4.000	0.540	109.100
2018	23,670,000	5.000	0.800	115.088
2018	710,000	3.000	0.800	107.903
2018	1,150,000	4.000	0.800	111.496
2019	13,700,000	5.000	1.060	117.839
2019	3,030,000	2.000	1.060	104.255
2020	16,455,000	5.000	1.320	119.979
2020	305,000	3.000	1.320	109.121
2021	16,560,000	5.000	1.570	121.585
2021	255,000	4.000	1.570	115.292
2022	16,040,000	5.000	1.780	122.939
2022	825,000	3.000	1.780	108.690
2023	26,605,000	5.000	1.920	124.444
2024	23,460,000	5.000	2.030	125.913
2024	3,260,000	4.000	2.030	117.187
2025	16,930,000	5.000	2.120*	125.017*
2026	16,360,000	5.000	2.210*	124.130*
2027	16,395,000	5.000	2.280*	123.444*
2028	3,380,000	4.000	2.600*	111.880*
2028	13,045,000	5.000	2.350*	122.764*
2030	11,840,000	5.000	2.460*	121.703*
2031	11,840,000	4.500	2.710*	115.110*
2032	11,840,000	3.500	2.990*	104.246*
2033	11,840,000	3.500	3.040*	103.820*
2034	1,740,000	3.000	3.140	97.955
2034	<u>10,100,000</u>	3.500	3.090*	103.396*
Total:	\$306,870,000			

\* Price and yield are to first call date of July 1, 2024.

## BOND DEBT SERVICE

State of Delaware  
General Obligation Bonds, Series 2014B

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2016	11,845,000	3.000%	16,007,728.47	27,852,728.47
06/30/2017	11,845,000	** %	13,458,350.00	25,303,350.00
06/30/2018	11,845,000	4.000%	12,994,800.00	24,839,800.00
06/30/2019	25,530,000	** %	12,132,500.00	37,662,500.00
06/30/2020	16,730,000	** %	11,134,300.00	27,864,300.00
06/30/2021	16,760,000	** %	10,345,550.00	27,105,550.00
06/30/2022	16,815,000	** %	9,510,500.00	26,325,500.00
06/30/2023	16,865,000	** %	8,678,025.00	25,543,025.00
06/30/2024	26,605,000	5.000%	7,599,525.00	34,204,525.00
06/30/2025	26,720,000	** %	6,282,700.00	33,002,700.00
06/30/2026	16,930,000	5.000%	5,207,750.00	22,137,750.00
06/30/2027	16,360,000	5.000%	4,375,500.00	20,735,500.00
06/30/2028	16,395,000	5.000%	3,556,625.00	19,951,625.00
06/30/2029	16,425,000	** %	2,753,025.00	19,178,025.00
06/30/2030			2,359,300.00	2,359,300.00
06/30/2031	11,840,000	5.000%	2,063,300.00	13,903,300.00
06/30/2032	11,840,000	4.500%	1,500,900.00	13,340,900.00
06/30/2033	11,840,000	3.500%	1,027,300.00	12,867,300.00
06/30/2034	11,840,000	3.500%	612,900.00	12,452,900.00
06/30/2035	11,840,000	** %	202,850.00	12,042,850.00
	306,870,000		131,803,428.47	438,673,428.47

## EXHIBIT "C"

### FORM OF CERTIFICATE OF REPRESENTATIVE

We have served as senior managing underwriter in connection with the sale by the State of Delaware (the "Issuer") and the purchase by us on October 22, 2014 (the "Sale Date") of \$306,870,000 aggregate principal amount of General Obligation Bonds, Series 2014B (the "Bonds"). Based upon our records and other information available to us which we have no reason to believe to be incorrect, we hereby certify as follows:

- (1) All of the Bonds have been the subject of a bona fide initial offering to the general public, excluding bond houses, brokers or other persons or organizations acting in the capacity of underwriters or wholesalers (the "General Public"), at the respective prices or yields set forth on the inside front cover of the Official Statement relating to the Bonds (the "Official Statement"), plus accrued interest, if any.
- (2) At the time we agreed to purchase the Bonds, based upon the then prevailing market conditions, we had no reason to believe that any of the Bonds would be initially sold to the General Public at prices higher than the respective prices, or yields lower than the respective yields, set forth in the Official Statement.
- (3) At least 10 percent of each maturity of each series of the Bonds has been sold to the General Public at prices no higher than, or yields no lower than, the respective prices or yields set forth in the Official Statement.
- (4) The aggregate initial offering price to the General Public of the Bonds, as so determined, is equal to \$360,029,369.85 which is equal to the par amount of \$306,870,000.00 plus net original issue premium in the amount of \$53,159,369.85.
- (5) The undersigned has used that issue price to compute the yield on the Bonds, which is equal to 2.08439%. For this purpose, the term "yield" refers to the discount rate that, when used in computing the present value as of the issue date of all unconditionally payable payments of principal and interest on the Bonds, produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of Bonds as of the issue date. Attached hereto and made a part hereof is a verification of yield. The weighted average maturity of the Bonds is \_\_\_\_\_ years. The weighted average maturity of the bonds to be refunded by the Bonds is \_\_\_\_\_. The weighted average maturity is the sum of the products of the issue price of each maturity and the number of years to maturity of bonds of an issue (determined separately for each maturity and by taking into account mandatory redemptions divided by the issue prices of such bonds).

The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws (including, in particular, the Internal Revenue Code of 1986, as amended (the "Code") and any regulations promulgated thereunder), or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other purchasers, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

We understand that the representations contained herein may be relied upon by the Issuer in making certain of the representations contained in the Federal Tax Certificate executed by the Issuer in connection with the issuance of the Bonds, and we further understand that Saul Ewing LLP, Bond Counsel to the Issuer, may rely upon this Certificate, among other things, in providing an opinion with respect to the exclusion from gross income of the interest on the Bonds pursuant to Section 103 of the Code.