

THE DELAWARE RIVER AND BAY AUTHORITY

TO

WILMINGTON TRUST COMPANY

AS TRUSTEE

**SUPPLEMENTAL TRUST AGREEMENT
NUMBER 4**

Dated as of August 1, 2000

TABLE OF CONTENTS

Page

ARTICLE I
DEFINITIONS

SECTION 1.1. Meaning of Words and Terms. 2

ARTICLE II
SERIES 2000B BONDS

SECTION 2.1. Authorization of Revenue Bonds of the Authority. 8
SECTION 2.2. Designation, Denominations, Maturity, Dated Dates, Interest Accrual
and Tender. 8
SECTION 2.3. Daily Rate and Weekly Rate. 9
SECTION 2.4. Term Rate and Fixed Rate. 11
SECTION 2.5. Conversion at Option of Authority..... 12
SECTION 2.6. Registration, Transfer and Exchange of Bonds. 14
SECTION 2.7. Redemption of 2000B Bonds. 14
SECTION 2.8. Partial Redemption. 17
SECTION 2.9. Notice of Redemption. 18
SECTION 2.10. Use of Moneys and Defeasance Obligations to Defeasance or Redeem
2000B Bonds. 18
SECTION 2.11. Book-Entry System. 19

ARTICLE III
PURCHASE AND REMARKETING OF 2000B BONDS

SECTION 3.1. Purchase on Demand of Holder During Daily Mode and Weekly Mode. 19
SECTION 3.2. Mandatory Purchase on Conversion Date and at End of Term Rate
Period; Upon Expiration of Standby Bond Purchase Agreement;
Upon Providing of an Alternate Liquidity Facility; Upon Default
Under Standby Bond Purchase Agreement; or Substitution of Bond
Insurance Policy. 22
SECTION 3.3. Remarketing. 24
SECTION 3.4. Amounts Available Under Standby Bond Purchase Agreement for
Purchase of 2000B Bonds. 26
SECTION 3.5. 2000B Bonds Purchased Pursuant to the Standby Bond Purchase
Agreement. 27
SECTION 3.6. Authority Bonds. 28
SECTION 3.7. No Purchases After Immediate Termination Event; Inadequate Funds
for Purchases. 29

ARTICLE IV
FUNDS AND STANDBY BOND PURCHASE AGREEMENT

SECTION 4.1. Investment of Certain Accounts. 29

SECTION 4.2. Alternate Liquidity Facility.	29
---	----

ARTICLE V
FORM OF BONDS, AUTHORIZATION, APPOINTMENTS AND
APPLICATION OF BOND PROCEEDS

SECTION 5.1. Form of 2000B Bonds.	30
SECTION 5.2. Authorization of Bonds.	30
SECTION 5.3. Appointments.	31
SECTION 5.4. Application of 2000B Bond Proceeds.	31

ARTICLE VI
REGARDING THE INSURER

SECTION 6.1. Additional Provisions.	32
--	----

ARTICLE VII
THE REMARKETING AGENT

SECTION 7.1. Appointment of Remarketing Agent.	36
SECTION 7.2. Qualifications of Remarketing Agent.	37
SECTION 7.3. Compensation and Expenses of Remarketing Agent.	37
SECTION 7.4. Notices to Remarketing Agent.	38

ARTICLE VIII
MISCELLANEOUS

SECTION 8.1. Multiple Counterparts.	38
SECTION 8.2. Headings etc. Not Part of Agreement.	38
SECTION 8.3. Controlling Laws.	38
SECTION 8.4. Concerning the Insurer.	38
SECTION 8.5. Concerning the Bank.	39
SECTION 8.6. Reference to Bank.	39
SECTION 8.7. Subordinate Obligations.	39
SECTION 8.8. Notices to Rating Services.	41

This Supplemental Trust Agreement Number 4 (this "Supplemental Agreement"), dated for convenience of reference as of the 1st day of August, 2000, supplemental to that certain Trust Agreement (the "Initial Agreement"), dated as of October 1, 1993, between the Authority and Wilmington Trust Company, as Trustee (the "Trustee"), by and between

THE DELAWARE RIVER AND BAY AUTHORITY,

a body politic and an agency of government of the State of Delaware and the State of New Jersey, duly created as hereinafter mentioned, and

WILMINGTON TRUST COMPANY, as Trustee

a bank and trust company duly organized and existing under the laws of the State of Delaware and having its principal office in the City of Wilmington, Delaware, which is authorized under such laws to exercise corporate trust powers and is subject to examination by state authority, as trustee (said trust company and any bank or trust company becoming successor trustee under this Supplemental Agreement being hereinafter sometimes called the "Trustee"),

WITNESSETH:

WHEREAS, the Delaware River and Bay Authority (hereinafter sometimes called the "Authority") entered into the Initial Agreement and Supplemental Trust Agreement Number 1, dated as of October 1, 1993, for the purpose of providing for the issuance of and securing its \$123,755,000 Revenue Bonds, Series 1993 (the "1993 Bonds") and from the proceeds thereof paying: (i) certain outstanding indebtedness with respect to the Authority's outstanding revenue bonds originally issued in the aggregate principal amount of \$103,000,000 (the "Prior Bonds") and the defeasance of the trust agreement, dated as of January 1, 1964 (the "Prior Trust Agreement") pursuant to which the Prior Bonds were issued and (ii) the costs of certain Additional Facilities (as defined in Supplemental Trust Agreement Number 1); and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 2, dated as of August 1, 1996, in order to provide for the issuance of its \$67,065,000 Revenue Bonds, Series 1996 (the "1996 Bonds") pursuant to the Initial Agreement in order to provide for the costs of certain Additional Facilities (as defined in Supplemental Trust Agreement Number 2); and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 3, dated as of June 1, 2000, in order to provide for the issuance of its \$98,755,000 Revenue Bonds, Series 2000A (the "2000A Bonds") pursuant to the Initial Agreement in order to provide for the costs of certain Additional Facilities (as defined in Supplemental Trust Agreement Number 3); and

WHEREAS, this Supplemental Agreement is being entered into by the Authority and the Trustee pursuant to the provisions of clause (i) of Section 209 of the Initial Agreement in

order to provide for the issuance of the fourth series of bonds pursuant to the Initial Agreement in order to provide for the costs of certain Additional Facilities (as defined herein); and

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

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

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

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

NOW THEREFORE, THIS AGREEMENT WITNESSETH, as follows:

ARTICLE I

DEFINITIONS.

SECTION 1.1. Meaning of Words and Terms.

In addition to words and terms defined in the Agreement or elsewhere in this Supplemental Agreement, the following words and terms as used in this Supplemental Agreement shall have the following meanings, unless some other meaning is plainly intended:

Additional Facilities. The term "Additional Facilities" shall mean the various capital projects undertaken or to be undertaken in the fiscal years ending December 31, 1999, 2000, 2001, 2002 and 2003 and identified in the Authority's December 1999 Five-Year Capital Improvement Program. Said capital projects relate to the improvement, rehabilitation and expansion of the Bridge and the Ferry and related facilities and appurtenances.

Alternate Liquidity Facility. The term "Alternate Liquidity Facility" shall mean a standby bond purchase agreement or other liquidity device issued in accordance with Section 4.2 hereof which shall have a term of not less than three hundred sixty-four (364) days.

Authority Bonds. The term "Authority Bonds" shall mean any 2000B Bonds of which ownership is registered in the name of the Authority.

Available Commitment. The term "Available Commitment" shall mean the Available Commitment under the Standby Bond Purchase Agreement.

Available Interest Commitment. The term "Available Interest Commitment" shall mean the Available Interest Commitment under the Standby Bond Purchase Agreement.

Bank. The term "Bank" shall mean, initially, Dexia Public Finance Bank, a banking corporation organized under the laws of France, acting by and through its New York Agency, and its permitted assigns under the Standby Bond Purchase Agreement and any provider of an Alternate Liquidity Facility.

Bank Bonds. The term "Bank Bonds" shall mean any 2000B Bonds purchased by the Bank under the Standby Bond Purchase Agreement and that do not cease to be Bank Bonds under the Standby Bond Purchase Agreement of which ownership is registered as required by the Standby Bond Purchase Agreement.

Bank Rate. The term "Bank Rate" shall mean the interest rate, not to exceed the Maximum Interest Rate (as defined in the Standby Bond Purchase Agreement), payable on Bank Bonds and determined pursuant to the Standby Bond Purchase Agreement.

Bond Counsel. The term "Bond Counsel" shall mean an attorney-at-law or a firm of attorneys of nationally recognized standing in matters pertaining to bonds (including the tax status of interest thereon) issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

Bondholder Tender Notice. The term "Bondholder Tender Notice" shall mean a written notice meeting the requirements of Section 3.1 hereof.

Bond Insurance Policy. The term "Bond Insurance Policy" shall mean, with respect to the 2000B Bonds, the municipal insurance policy issued by the Insurer and guaranteeing the payment when due of principal of and interest on the 2000B Bonds stated to mature on January 1, 2030.

Bond Purchase Agreement. The term "Bond Purchase Agreement" shall mean the Bond Purchase Agreement, dated August 9, 2000, by and between the Authority and Prudential Securities Incorporated.

Conversion Date. The term "Conversion Date" shall mean any Interest Payment Date on which the Rate Mode of the 2000B Bonds is converted to another Rate Mode pursuant to Section 2.5 hereof.

Daily Mode. The term "Daily Mode" shall mean, with respect to the 2000B Bonds, the mode of interest accruing thereon at Daily Rates established, based on a particular Daily Rate Period, and adjusted in accordance with Section 2.3 hereof.

Daily Rate. The term "Daily Rate" shall mean the interest rate in effect on the 2000B Bonds during the Daily Rate Period as such is determined in accordance with Section 2.3 hereof.

Daily Rate Calculation Date. The term "Daily Rate Calculation Date" shall mean no later than 9:30 a.m., Eastern Time, on the Business Day which is the commencement date of the Daily Rate Period to which it relates.

Daily Rate Period. The term "Daily Rate Period" shall mean a period that commences on a Business Day and shall extend to, but not include, the next succeeding Business Day determined pursuant to Section 2.3 hereof.

Expiration Date. The term "Expiration Date" shall mean the stated expiration date of the Standby Bond Purchase Agreement, or such stated expiration date as it may be extended from time to time as provided in the Standby Bond Purchase Agreement, or any earlier date on which the Standby Bond Purchase Agreement shall terminate (including by voluntary termination), expire or be cancelled.

Expiration Tender Date. The term "Expiration Tender Date" shall mean the day five Business Days prior to the Expiration Date.

Fixed Rate. The term "Fixed Rate" shall mean the interest rate in effect on the 2000B Bonds during the Fixed Rate Period, as such rate is determined in accordance with Section 2.4(b) hereof.

Fixed Rate Period. The term "Fixed Rate Period" shall mean the period from and including the Conversion Date designated pursuant to Section 2.5(b) hereof to and including the date next preceding the date of maturity of the 2000B Bonds.

Immediate Termination Event. The term "Immediate Termination Event" shall have the meaning specified in the Standby Bond Purchase Agreement.

Insurer. The term "Insurer" shall mean, with respect to the 2000B Bonds, Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance company, being the person undertaking to insure pursuant to the Bond Insurance Policy the 2000B Bonds.

Interest Payment Date. The term "Interest Payment Date" for purposes of the 2000B Bonds shall mean (i) with respect to Daily Rate interest and Weekly Rate interest, the first day of each calendar month unless such day is not a Business Day, then the next Business Day after such day, commencing September 1, 2000, (ii) with respect to Term Rate or Fixed Rate

interest, each Semiannual Date and (iii) with respect to Bank Bonds, shall include any other date as set forth in the Standby Bond Purchase Agreement.

Issue Date. The term "Issue Date" shall mean the date of original issuance and first authentication and delivery of the 2000B Bonds to the initial purchaser thereof pursuant to the Bond Purchase Agreement against payment therefor.

Maximum Rate. The term "Maximum Rate" shall mean 12% per annum for 2000B Bonds in the Daily Mode, Weekly Mode, Term Mode or Fixed Rate.

No Call Period. The term "No Call Period" shall mean the period of time referred to in the column under that heading in the table in Section 2.7(d) hereof.

Nominal Term Rate Period. The term "Nominal Term Rate Period" shall mean, with respect to a Term Mode, a period of two or more consecutive Semiannual Periods (expressed in years and half years) determined pursuant to Sections 2.4 and 2.5 hereof.

Notice Expiration Event. The term "Notice Expiration Event" shall mean an "Event of Default" under the Standby Bond Purchase Agreement that is not an Immediate Termination Event.

Notice of Expiration. The term "Notice of Expiration" shall have the meaning specified in the Standby Bond Purchase Agreement.

Principal Payment Date. The term "Principal Payment Date" shall mean a January 1 upon which the principal of the 2000B Bonds is stated to mature or upon which the principal of any term bond is subject to redemption in satisfaction of an Amortization Requirement and any date on which the principal of any Bank Bonds is stated to mature or is subject to redemption in satisfaction of an Amortization Requirement as set forth in Section 2.7(b) hereof.

Purchase Date. The term "Purchase Date" shall mean (a) with respect to any optional tender for the purchase of 2000B Bonds in the Daily Mode or the Weekly Mode pursuant to Section 3.1 hereof, any Business Day designated as the date of such purchase pursuant to such Section and (b) with respect to any mandatory purchase pursuant to Section 3.2 hereof: (1) in the case of 2000B Bonds which are to be purchased upon conversion from one Rate Mode to another Rate Mode, the Conversion Date, or if such Conversion Date is not a Business Day, the first Business Day succeeding such Conversion Date, (2) in the case of 2000B Bonds which are to be purchased upon expiration of a Term Rate Period, the first Business Day following the end of such Term Rate Period, (3) the Expiration Tender Date, (4) the Substitution Tender Date, (5) any date set for purchase as a result of receipt by the Trustee of a Notice of Expiration under the Standby Bond Purchase Agreement, and (6) any date set for purchase as a result of the issuance of a Substitute Bond Insurance Policy.

Rate Mode. The term "Rate Mode" shall mean the Daily Mode, Weekly Mode, Fixed Rate or Term Mode.

Regular Record Date. The term "Regular Record Date" for purposes of the 2000B Bonds shall mean, while the 2000B Bonds are in the Daily Mode or Weekly Mode, the close of business on the Business Day immediately preceding an Interest Payment Date and, while the 2000B Bonds are in the Term Mode or bear interest at the Fixed Rate, the close of business on the fifteenth day of the calendar month next preceding an Interest Payment Date or such other date as the Authority and the Trustee shall agree.

Remarketing Agent. The term "Remarketing Agent" shall mean, initially, Prudential Securities Incorporated and any Person meeting the qualifications of, and designated from time to time to act as Remarketing Agent under, Section 7.2 hereof. "Principal Office" of the Remarketing Agent means the Principal Office of the Remarketing Agent at the address of the Remarketing Agent set forth in Section 7.4 hereof, or any other office so designated in writing by the Remarketing Agent to the Authority, the Trustee and the Bank.

Remarketing Agreement. The term "Remarketing Agreement" shall mean the Remarketing Agreement between the Authority and the Remarketing Agent relating to the 2000B Bonds, as amended, supplemented or replaced from time to time.

Remarketing Proceeds Purchase Account. The term "Remarketing Proceeds Purchase Account" shall mean the special trust account so designated and established pursuant to Section 3.3 hereof.

Representation Letter. The term "Representation Letter" shall mean the Blanket Representation Letter dated August 19, 1996 from the Authority to The Depository Trust Company.

Semiannual Date. The term "Semiannual Date" shall mean each January 1 and July 1.

Semiannual Period. The term "Semiannual Period" shall mean a six month period commencing on a Semiannual Date and ending on and including the day immediately preceding the next Semiannual Date.

Standby Bond Purchase Agreement. The term "Standby Bond Purchase Agreement" shall mean the Standby Bond Purchase Agreement by and among the Bank, the Trustee and the Authority which constitutes a Credit Facility for purposes of the Initial Agreement.

Standby Bond Purchase Agreement Purchase Account. The term "Standby Bond Purchase Agreement Purchase Account" shall mean the special trust account so designated and established pursuant to Section 3.4 hereof.

Substitute Bond Insurance Policy. The term "Substitute Bond Insurance Policy" shall mean either a policy issued by an insurance company or an agreement of a financial institution containing terms which are in all material respects the same as or equivalent to those provided by the Bond Insurance Policy delivered in connection with the original issuance of the 2000B Bonds.

Substitution Date. The term "Substitution Date" shall mean the date on which an Alternate Liquidity Facility is to be substituted for the Standby Bond Purchase Agreement.

Substitution Tender Date. The term "Substitution Tender Date" shall mean the date five Business Days prior to the Substitution Date.

Term Mode. The term "Term Mode" shall mean, with respect to the 2000B Bonds, the mode of accruing interest thereon at Term Rates based on a Nominal Term Rate Period.

Term Rate. The term "Term Rate" shall mean the rate of interest borne by the 2000B Bonds for a Term Rate Period determined pursuant to Section 2.4(a) hereof.

Term Rate Calculation Date. The term "Term Rate Calculation Date" shall mean a Business Day not more than 15 days and not less than one day prior to the first day of the corresponding Term Rate Period.

Term Rate Period. The term "Term Rate Period" shall mean a period of two or more consecutive Semiannual Periods equal to the applicable Nominal Term Rate Period determined pursuant to Section 2.5(a) hereof commencing on the Semiannual Date immediately following the last day of the immediately preceding Term Rate Period and running through and ending on the day immediately preceding the Semiannual Date which follows such commencement date by a period equal to such Nominal Term Rate Period; except that the first Term Rate Period after conversion from a Daily Rate or Weekly Rate to a Term Rate shall commence on the Conversion Date of such conversion and end on and include the day immediately preceding the Semiannual Date which follows the Semiannual Date occurring on or immediately preceding such Conversion Date by a period equal to such Nominal Term Rate Period.

Term Rate Period End Interest Payment Date. The term "Term Rate Period End Interest Payment Date" shall mean the Semiannual Date immediately following the last day of a Term Rate Period.

Undelivered Bonds. The term "Undelivered Bonds" shall mean any 2000B Bonds subject to purchase pursuant to Section 3.1 or 3.2 which the registered owner thereof has failed to deliver as described in such Sections.

Weekly Mode. The term "Weekly Mode" shall mean, with respect to the 2000B Bonds, the mode of bearing interest thereon at a Weekly Rate.

Weekly Rate. The term "Weekly Rate" shall mean a floating weekly interest rate on the 2000B Bonds established and adjusted in accordance with Section 2.3 hereof.

Weekly Rate Calculation Date. The term "Weekly Rate Calculation Date" shall mean Wednesday in each calendar week or, if any Wednesday is not a Business Day, the first Business Day preceding such Wednesday.

Weekly Rate Period. The term "Weekly Rate Period" shall mean the seven-day period commencing on the first Thursday following the corresponding Weekly Rate Calculation Date and running through Wednesday of the following calendar week; except that (i) the first Weekly Rate Period shall commence on the Issue Date and end on and include the first Wednesday occurring on or after the Issue Date, (ii) the first Weekly Rate Period following a conversion from a Daily Mode or Term Mode to the Weekly Mode shall commence on the Conversion Date for such conversion and end on and include the first Wednesday occurring after such date, and (iii) the last Weekly Rate Period prior to a conversion from the Weekly Mode to the Daily Mode or Term Mode or Fixed Rate shall end on and include the last day immediately preceding the Conversion Date for such conversion.

ARTICLE II

THE SERIES 2000B BONDS

SECTION 2.1. Authorization of Revenue Bonds of the Authority.

Pursuant to clause (i) of Section 209 of the Agreement, there are hereby authorized and there shall be initially issued at one time under and secured by the Initial Agreement and this Supplemental Agreement revenue bonds of the Authority which shall be Current Interest Bonds and upon initial issuance, Variable Rate Bonds and Optional Tender Bonds in the aggregate initial principal amount of Thirty Million Dollars (\$30,000,000) designated "Variable Rate Revenue Bonds, Series 2000B" (the "2000B Bonds") for the purpose of providing funds, together with other available funds, to provide for a portion of the costs of the Additional Facilities.

SECTION 2.2. Designation, Denominations, Maturity, Dated Dates, Interest Accrual and Tender.

(a) The 2000B Bonds shall be dated August 10, 2000 and shall consist of term bonds maturing, subject to the provisions of Section 2.7 hereof, January 1, 2030.

(b) The 2000B Bonds shall be issuable in denominations of \$100,000 or any integral multiple thereof.

(c) So long as the 2000B Bonds bear interest at a Daily Rate or Weekly Rate, interest on the 2000B Bonds shall be computed on the basis of a year of 365 or 366 days, as applicable, for the number of days actually elapsed. Interest accruing on the 2000B Bonds

at a Term Rate or Fixed Rate shall be computed on the basis of a 360-day year of twelve 30-day months.

(d) 2000B Bonds authenticated and delivered while bearing interest in the Daily Mode shall set forth on the face side thereof, in the place provided for designating the interest rate, the words "Daily Rate."

(e) 2000B Bonds authenticated and delivered while bearing interest in the Weekly Mode shall set forth on the face side thereof, in the place provided for designating the interest rate, the words "Weekly Rate".

(f) 2000B Bonds authenticated and delivered while bearing interest in a Term Mode shall set forth on the face side thereof, in the place provided for designating the interest rate, the words "___ % Term Rate for Term Rate Period ending _____, _____".

(g) 2000B Bonds authenticated and delivered while bearing interest at the Fixed Rate shall set forth on the face side thereof, in the place provided for designating the interest rate, "___ %".

(h) All 2000B Bonds shall initially bear interest at a Weekly Rate from the Issue Date determined in accordance with Section 2.3 hereof. The 2000B Bonds may be converted from one Rate Mode to another Rate Mode as provided in Section 2.5 hereof; provided, however, that all of the 2000B Bonds are in the same Rate Mode at any one time.

(i) The 2000B Bonds shall be subject to optional and mandatory redemption as provided in Section 2.7 hereof and optional and mandatory tender for purchase as provided in Article III hereof.

(j) All Bank Bonds shall be repaid in accordance with Sections 2.7(b) and 3.5 hereof.

SECTION 2.3. Daily Rate and Weekly Rate.

(a) Daily Rate. A Daily Rate shall be determined for each Daily Rate Period as described below. For each Daily Rate Period and so long as the 2000B Bonds are in the Daily Mode, the interest rate on the 2000B Bonds shall be the current market rate determined by the Remarketing Agent on the immediately preceding Daily Rate Calculation Date, in accordance with this Section. On each Daily Rate Calculation Date, the Remarketing Agent shall determine the Daily Rate for the Daily Rate Period commencing that day as the rate which if borne by the 2000B Bonds would, in the judgment of the Remarketing Agent, be the lowest interest rate necessary to enable the Remarketing Agent to arrange for the sale of all of the Outstanding 2000B Bonds at a price equal to the principal amount thereof plus accrued interest thereon. Notice of such Daily Rates set since the last notification, if any, shall be given in writing by the Remarketing Agent to the Trustee and the Bank by 9:30 a.m. Eastern Time on Friday of each week, and if Friday is not a Business Day, the preceding Business Day; provided that the Trustee can request information from the Remarketing Agent as to the

Daily Rate for any Daily Rate Period on any Business Day. Anything herein to the contrary notwithstanding, in no event shall the Daily Rate borne by the 2000B Bonds exceed the Maximum Rate.

If for any reason the Remarketing Agent does not determine a Daily Rate for any one Daily Rate Period as aforesaid, the Daily Rate for that Daily Rate Period shall be equal to the Daily Rate in effect for the immediately preceding Daily Rate Period. The Daily Rate for any consecutive succeeding Daily Rate Period for which the Remarketing Agent does not determine a Daily Rate shall be determined by the Trustee to be equal to 90% of the overnight repurchase rate as quoted in the preceding day's edition of *The Wall Street Journal*.

The determination of the Daily Rate by the Remarketing Agent pursuant to this Supplemental Agreement shall be conclusive and binding upon the Authority, the Trustee, the Remarketing Agent, the Bank, the Insurer and the registered owners and beneficial owners of the 2000B Bonds.

(b) Weekly Rate. A Weekly Rate shall be determined for each Weekly Rate Period as described below. For each Weekly Rate Period and so long as the 2000B Bonds are in the Weekly Mode, the interest rate on the 2000B Bonds shall be the current market rate determined by the Remarketing Agent on the immediately preceding Weekly Rate Calculation Date, in accordance with this Section. On each Weekly Rate Calculation Date, the Remarketing Agent shall determine the Weekly Rate for the next succeeding Weekly Rate Period as the rate which if borne by the 2000B Bonds would, in the judgment of the Remarketing Agent, be the lowest interest rate necessary to enable the Remarketing Agent to arrange for the sale of all of the Outstanding 2000B Bonds at a price equal to the principal amount thereof plus accrued interest thereon. Notice of such Weekly Rate shall be given in writing by the Remarketing Agent to the Trustee and the Bank by the close of business on the Weekly Rate Calculation Date. Anything herein to the contrary notwithstanding, in no event shall the Weekly Rate borne by the 2000B Bonds exceed the Maximum Rate.

If for any reason the Remarketing Agent does not determine a Weekly Rate for any one Weekly Rate Period as aforesaid, the Weekly Rate for that Weekly Rate Period shall be equal to the Weekly Rate in effect for the immediately preceding Weekly Rate Period. The Weekly Rate for any consecutive succeeding Weekly Rate Period for which the Remarketing Agent does not determine a Weekly Rate, shall be determined by the Trustee to be the 30-day tax-exempt commercial paper rate published for that Weekly Rate Period by Munifacts Wire System, Inc. (or a replacement publisher of a tax-exempt commercial paper rate designated in writing by the Authority to the Trustee and Remarketing Agent) representing, as of the publication date, the average 30-day yield evaluations at par of tax-exempt securities rated by each Rating Service in its highest commercial paper rating category; provided that if Munifacts Wire System, Inc. or such replacement publisher does not publish such a tax-exempt commercial paper rate on a day on which a Weekly Rate is to be set, the Weekly Rate shall be determined by the Trustee to be 90% of the interest rate for 30-day taxable commercial paper (prime paper placed through dealers) announced on such day by the Federal Reserve Bank of New York.

The determination of the Weekly Rate by the Remarketing Agent pursuant to this Supplemental Agreement shall be conclusive and binding upon the Authority, the Trustee, the Remarketing Agent, the Bank, the Insurer and the registered owners and beneficial owners of the 2000B Bonds.

SECTION 2.4. Term Rate and Fixed Rate.

(a) Term Rate. A Term Rate shall be determined for each Term Rate Period as described below. Upon conversion of the 2000B Bonds to a Term Mode, a Nominal Term Rate Period shall be fixed by the Authority pursuant to Section 2.5 as a term of two or more consecutive Semiannual Periods constituting the nominal length of each Term Rate Period thereafter until the date of a conversion to another Rate Mode. A Term Mode based on one Nominal Term Rate Period and a Term Mode based on another Nominal Term Rate Period are different Rate Modes. Each Term Rate shall be determined by the Remarketing Agent, on the Term Rate Calculation Date, as the lowest rate of interest that, in the judgment of the Remarketing Agent, would be necessary to enable the Remarketing Agent to arrange for the sale of the 2000B Bonds in the applicable Term Mode in a secondary market sale at a price equal to the principal amount thereof, plus accrued interest, on the first Business Day of the respective Term Rate Period; provided that if the Remarketing Agent fails for any reason to determine the Term Rate for any Term Rate Period, such Term Rate shall be determined by the Trustee to be equal to 80% of the average of the annual bond equivalent yield evaluations at par as of the first day of the corresponding Term Rate Period or, if such day is not a Business Day, the next preceding Business Day of United States Treasury obligations having a term to maturity similar to such Term Rate Period. Notice of each Term Rate shall promptly be given by telephone (promptly confirmed in writing) by the Remarketing Agent to the Trustee, the Authority and the Bank. Determinations of Term Rates pursuant to this Section shall be conclusive and binding upon the Authority, the Trustee, the Bank, the Remarketing Agent, the Insurer and the registered owners and beneficial owners of the 2000B Bonds. Anything herein to the contrary notwithstanding, in no event shall the Term Rate borne by the 2000B Bonds exceed the Maximum Rate.

If the Standby Bond Purchase Agreement will not be available for the purchase of the 2000B Bonds after the change to the Term Mode, the Authority may provide for alternate arrangements upon receipt by the Trustee and the Remarketing Agent of an opinion of Bond Counsel that such alternative will not adversely affect the exclusion from gross income of the interest on the 2000B Bonds for federal income tax purposes.

(b) Fixed Rate. A Fixed Rate shall be determined for the Fixed Rate Period as described below. The Fixed Rate for the 2000B Bonds shall be determined by the Remarketing Agent, as the lowest rate of interest that, in the judgment of the Remarketing Agent, would be necessary to enable the Remarketing Agent to arrange for the sale of the 2000B Bonds in a secondary market sale at a price equal to the principal amount thereof, plus accrued interest, on the first Business Day of the Fixed Rate Period. Notice of the Fixed Rate shall promptly be given by telephone (promptly confirmed in writing) by the Remarketing

Agent to the Trustee, the Authority and the Bank. Determination of the Fixed Rate pursuant to this Section shall be conclusive and binding upon the Authority, the Trustee, the Bank, the Remarketing Agent, the Insurer and the registered owners and beneficial owners of the 2000B Bonds and shall not exceed the Maximum Rate.

In the event that the Remarketing Agent for any reason fails to determine the Fixed Rate prior to the Conversion Date, or Bond Counsel is unable to deliver the opinion of Bond Counsel required by Section 2.5 hereof on the Conversion Date, the conversion to the Fixed Rate shall not take effect and the 2000B Bonds shall not be subject to mandatory tender as provided in Section 3.2 hereof. The Trustee shall at the expense of the Authority promptly notify each registered owner of 2000B Bonds by first-class mail of the cancelled conversion and tender.

The Standby Bond Purchase Agreement will not be available for the purchase of the 2000B Bonds after the change to the Fixed Rate.

SECTION 2.5. Conversion at Option of Authority.

(a) Conversion Among Daily Mode, Weekly Mode and Term Mode. Subject to Section 2.5(b) herein (relating to conversion to Fixed Rate), the Authority shall have the option to convert the 2000B Bonds from one Rate Mode to another Rate Mode as herein provided on any Conversion Date the Authority shall select; provided that each Conversion Date shall be an Interest Payment Date. The Authority may exercise its option to convert the 2000B Bonds in accordance with this Section 2.5(a) regardless of the number of times such 2000B Bonds have previously been converted pursuant to the exercise of its option to convert. The Authority shall exercise such option by giving written notice from an Authority Representative to the Trustee, the Remarketing Agent and the Bank, stating its election to convert the Rate Mode of the 2000B Bonds to another Rate Mode specified in such notice and stating the Conversion Date therefor, not less than 45 days prior to such Conversion Date. Upon receipt of such notice by the Trustee, the Trustee may conclusively assume that the Remarketing Agent and the Bank also received a copy of such notice and that such condition has been complied with. In connection with each conversion to a Term Mode, the Nominal Term Rate Period shall be selected by the Authority and designated in such notice. Notice of the exercise of an option to convert shall not be effective unless, within 10 days of the delivery of such notice, there shall have been delivered to the Trustee (1) an opinion of Bond Counsel addressed to the Trustee, the Authority, the Bank and the Remarketing Agent to the effect that (i) such conversion is authorized or permitted by the Agreement and (ii) such conversion if it occurred on the date the opinion is given, would not adversely affect the exclusion from gross income of the interest on such 2000B Bonds for federal income tax purposes, which opinion shall be confirmed by such Bond Counsel on the Conversion Date, (2) written consent of the Bank to such conversion, (3) written notice from the Rating Services (if any) that such conversion will not result in a withdrawal or reduction of the then current rating or ratings on the 2000B Bonds (other than a withdrawal of any short-term ratings if the Standby Bond Purchase Agreement will not be in effect), and (4) an opinion of counsel to the effect that on and after such Conversion Date the requirements of Securities Exchange Commission Rule

15c2-12 (or any successor rule) have been complied with. In the case of a conversion in accordance with this Section 2.5(a), the Trustee shall give notice by first class mail (postage prepaid) to the registered owners of the 2000B Bonds being converted not less than 30 days prior to the proposed Conversion Date stating (i) that, in the case of a conversion to a Term Mode, the interest rate on such 2000B Bonds is scheduled to be converted to a Term Rate and stating the Nominal Term Rate Period on which such Term Rate will be based, or in the case of a conversion to the Weekly Mode, the interest rate on such 2000B Bonds is scheduled to be converted to a Weekly Rate, or in the case of a conversion to a Daily Mode, the interest rate on such 2000B Bonds is scheduled to be converted to a Daily Rate, (ii) the proposed Conversion Date, (iii) that the Authority, on or before the tenth day prior to the proposed Conversion Date, may determine not to convert such 2000B Bonds in which case the Trustee shall notify the registered owners in writing to such effect, (iv) in the case of a conversion to the Term Mode, whether the Standby Bond Purchase Agreement will remain in effect, (v) in the case of the employment of an Alternative Liquidity Facility, the name of the provider and its current ratings by the Rating Services, and (vi) that all such outstanding 2000B Bonds will be subject to a mandatory purchase on the Conversion Date, or if such Conversion Date is not a Business Day, the first Business Day following such Conversion Date at a price of par plus accrued interest, if any. The Authority, the Trustee, the Bank and the Remarketing Agent shall not be liable to any registered owners for failure to give any notice required above or for failure of any registered owners to receive any such notice. Upon each conversion under this Section, the 2000B Bonds shall be subject to mandatory purchase pursuant to Section 3.2 on the Conversion Date or if such Conversion Date is not a Business Day, the first Business Day following such Conversion Date. The written consent of the Insurer shall be required to convert to the Term Mode. No mode shall extend beyond the current Expiration Date of the Standby Bond Purchase Agreement, if any (other than a Fixed Rate).

(b) Conversion to Fixed Rate. The Authority shall have the option to convert the 2000B Bonds from one Rate Mode to Fixed Rate as herein provided on any Conversion Date the Authority shall select; provided that each Conversion Date shall be an Interest Payment Date. The Authority may exercise its option to convert the 2000B Bonds to a Fixed Rate only one time. The Authority shall exercise such option by giving written notice from an Authority Representative to the Trustee, the Remarketing Agent and the Bank, stating its election to convert the Rate Mode of the 2000B Bonds to the Fixed Rate, stating the Conversion Date therefor, not less than 45 days prior to such Conversion Date. Upon receipt of such notice by the Trustee, the Trustee may conclusively assume that the Remarketing Agent and the Bank also received a copy of such notice and that such condition has been complied with. Notice of the exercise of an option to convert shall not be effective unless, within 10 days of the delivery of such notice, there shall have been delivered to the Trustee (1) an opinion of Bond Counsel addressed to the Trustee, the Authority and the Remarketing Agent to the effect that (i) such conversion is authorized or permitted by the Agreement and (ii) such conversion if it occurred on the date the opinion is given, would not adversely affect the exclusion from gross income of the interest on such 2000B Bonds for federal income tax purposes, which opinion shall be confirmed by such Bond Counsel on the Conversion Date, (2) written notice from the Rating Services (if any) that such conversion would not result in a withdrawal or reduction of the then current rating or ratings on the 2000B Bonds (other than a

withdrawal of any short-term ratings), setting forth a new rating or ratings on such 2000B Bonds effective upon such conversion, or written notice from the Remarketing Agent that the 2000B Bonds bearing interest at the Fixed Rate can be remarketed without any rating on the 2000B Bonds, and (3) an opinion of counsel to the effect that on and after such Conversion Date the requirements of Securities Exchange Commission Rule 15c2-12 (or any successor rule) have been complied with. The Trustee shall at the expense of the Authority give notice by first class mail (postage prepaid) to the registered owners of the 2000B Bonds being converted not less than 30 days prior to the proposed Conversion Date stating (i) that the interest rate on such 2000B Bonds is scheduled to be converted to a Fixed Rate through the maturity date, (ii) the proposed Conversion Date, (iii) that the Authority, on or before the tenth day prior to the proposed Conversion Date, may determine not to convert such 2000B Bonds in which case the Trustee shall at the expense of the Authority notify the registered owners in writing to such effect, (iv) that after the conversion to the Fixed Rate, the Standby Bond Purchase Agreement will no longer remain in effect, and (v) that all such outstanding 2000B Bonds will be subject to a mandatory purchase on the Conversion Date, or if such Conversion Date is not a Business Day, the first Business Day following such Conversion Date at a price of par plus accrued interest, if any. The Authority, the Trustee, the Bank and the Remarketing Agent shall not be liable to any registered owners for failure to give any notice required above or for failure of any registered owners to receive any such notice. Upon conversion under this Section, the 2000B Bonds shall be subject to mandatory purchase pursuant to Section 3.2 on the Conversion Date or if such Conversion Date is not a Business Day, the first Business Day following such Conversion Date. The written consent of the Insurer shall be required to convert to the Fixed Rate.

SECTION 2.6. Registration, Transfer and Exchange of Bonds.

While the 2000B Bonds are in a Term Mode or Fixed Rate, neither the Authority nor the Bond Registrar shall be required to exchange or transfer (i) any 2000B Bond during the fifteen (15) days immediately preceding the date of the Authority's giving notice of redemption of 2000B Bonds, or (ii) any 2000B Bond selected for redemption, in whole or in part.

SECTION 2.7. Redemption of 2000B Bonds.

(a) **Amortization Requirements.** The Amortization Requirements for the 2000B Bonds (other than Bank Bonds), referred to and defined and subject to adjustment as provided in Section 101 of the Agreement, shall be the following amounts on January 1 of the following years for the following term bonds:

\$30,000,000

Term Bonds due January 1, 2030

<u>Principal Payment Date (January 1)</u>	<u>Amortization Requirement</u>
2029	\$12,300,000
2030*	17,700,000

* Unamortized principal at stated maturity.

At its option, to be exercised not less than forty-five (45) days prior to each such applicable Principal Payment Date, the Authority may (a) deposit monies with the Trustee to be used to purchase 2000B Term Bonds, or direct the Trustee to cause monies in the Debt Service Fund to be used for such purchases, at a price not exceeding the principal amount thereof plus accrued interest to such applicable Principal Payment Date, or (b) receive a credit against the Amortization Requirements for 2000B Term Bonds which prior to such date have been purchased by the Authority and presented to the Trustee for cancellation or redeemed (otherwise than in satisfaction of prior Amortization Requirements) and canceled by the Trustee and, in either case, not theretofore applied as a credit against any Amortization Requirement. While the 2000B Bonds are in the Daily Mode or Weekly Mode, in purchasing 2000B Term Bonds, the Authority shall direct the Trustee to purchase first those 2000B Term Bonds for which there has been received a Bondholder Tender Notice pursuant to Section 3.1 hereof prior to the purchase of other 2000B Term Bonds. Each such 2000B Term Bond so purchased, delivered or previously redeemed will be credited by the Trustee at 100% of the principal amount thereof against the current Amortization Requirement with respect to 2000B Term Bonds due on the same date as the Bond so purchased, delivered or previously redeemed and canceled. Any excess over such current Amortization Requirement will be credited against the future Amortization Requirements of term bonds with the same maturity date in such manner as the Authority shall determine, and the principal amount of such 2000B Term Bonds with such maturity date to be redeemed by mandatory sinking fund redemption will be reduced accordingly.

(b) Amortization Requirements for Bank Bonds. The Amortization Requirements for Bank Bonds, referred to and defined and subject to adjustment as provided in Section 101 of the Agreement, shall be in a principal amount sufficient to amortize the principal amount of such Bonds in 10 equal consecutive semi-annual installments, at a redemption price equal to the principal amount of such Bank Bonds, plus accrued interest thereon, payable as more fully provided in Section 2.9 of the Standby Bond Purchase Agreement.

In the event that there is an Alternate Liquidity Facility with a repayment schedule with respect to the Bank Bonds, a new mandatory redemption schedule may be established to correspond to the repayment provisions of the Alternate Liquidity Facility with respect to Bank Bonds upon delivery to the Trustee of an opinion of Bond Counsel addressed to the Trustee and the Authority to the effect that such action will not adversely affect the exclusion from gross income of the interest on the 2000B Bonds for federal income tax purposes and the consent of the Bond Insurer.

(c) Optional Redemption During Daily Mode or Weekly Mode. While the 2000B Bonds are in the Daily Mode or Weekly Mode, the 2000B Bonds may be redeemed at the option of the Authority, in whole at any time or in part on any Interest Payment Date, prior to maturity at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

(d) Optional Redemption During Term Mode or Fixed Rate. While the 2000B Bonds are in a Term Mode or bearing interest at the Fixed Rate, the 2000B Bonds shall be subject to redemption prior to maturity at the option of the Authority, only (i) while 2000B Bonds are in the Term Mode, in whole or in part on a Term Rate Period End Interest Payment Date at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date or (ii) while 2000B Bonds are in the Term Mode or bearing interest at the Fixed Rate, prior to the end of the then current Term Rate Period or Fixed Rate Period, as the case may be, in whole or in part at any time, provided that the 2000B Bonds shall not be redeemable during the No Call Period shown below, which shall begin on the first day of the current Term Rate Period or Fixed Rate Period, as the case may be. In each Term Rate Period or Fixed Rate Period, after the applicable No Call Period, the 2000B Bonds shall be redeemable at a redemption price equal to the percentage of their principal amount shown below in the Initial Redemption Price column, plus accrued interest to the redemption date. The redemption price (expressed as a percentage of the principal amount of the 2000B Bonds to be redeemed) shall decline annually by the amount shown below in the Annual Reduction in Premium column until the 2000B Bonds shall be redeemable at a redemption price equal to 100% of the principal amount thereof plus accrued interest, without premium, after the year indicated in the No Premium After column.

Term or Fixed Rate Period

<u>Equal to or Greater Than</u>	<u>But Less Than</u>	<u>No Call Period</u>	<u>Initial Redemption Price</u>	<u>Annual Reduction in Premium</u>	<u>No Premium After</u>
15 Years	N/A	10 Years	101%	1%	11 th year
10 Years	15 Years	8 Years	101%	1%	9 th year
5 Years	10 Years	5 Years	100%	N/A	N/A
N/A	5 Years	5 Years	N/A	N/A	N/A

In connection with any conversion to a Term Mode or Fixed Rate, the Authority may, by written stipulation delivered to the Trustee, the Remarketing Agent and the Bank, waive or otherwise alter its right to direct the optional redemption of the 2000B Bonds and any redemption premium that may become payable in connection therewith; provided that, at least 30 days (or such shorter period as shall be acceptable to the Remarketing Agent and the Bank) prior to the respective Conversion Date, there is delivered to the Trustee, the Remarketing Agent and the Bank (i) a notice from the Authority setting forth such waiver or alterations and (ii) an opinion of Bond Counsel to the effect that such waiver or alterations are authorized or permitted under the Agreement, the Enabling Legislation and the Compact and will not adversely affect the exclusion from gross income of interest on the 2000B Bonds for federal income tax purposes.

If optional redemption at a redemption price exceeding 100% of the principal amount to be redeemed is to take place as of any applicable mandatory redemption date identified in Section 2.7(a) or (b), the 2000B Bonds, or portions thereof, to be so redeemed shall be selected pursuant to the provisions of Section 2.8 prior to the selection of the 2000B Bonds to be redeemed on the same date by operation of the mandatory redemption provisions of subsection 2.7(a) or (b).

Notice of any optional redemption of 2000B Bonds shall be conditioned on either (i) there being on deposit on the redemption date sufficient money to pay the full redemption price of the 2000B Bonds to be redeemed or (ii) such notice stating that if sufficient funds are not available on the redemption date to pay the full redemption price, then the redemption and the original notice thereof are void, rescinded and of no force and effect.

SECTION 2.8. Partial Redemption.

If fewer than all of the 2000B Bonds of a maturity are to be redeemed, the selection of 2000B Bonds to be redeemed, or portions thereof in amounts of \$100,000 shall be made by lot or by such other method as the Trustee deems fair and appropriate; provided that any Bank Bonds shall be redeemed first, and so long as no Event of Default has occurred and is continuing, any Authority Bonds shall be redeemed second; provided further that 2000B Bonds shall be redeemed only if the remaining unredeemed portion of such Bonds is in the principal amount of \$100,000. In the case of a partial redemption of 2000B Bonds when 2000B Bonds of denominations greater than \$100,000 are then outstanding, each \$100,000 unit of face value of principal thereof shall be treated as though it were a separate Bond of the denomination of \$100,000. If it is determined that one or more, but not all, of the \$100,000 units of face value represented by a 2000B Bond are to be called for redemption, then upon notice of redemption of a \$100,000 unit or units, the registered owner of that 2000B Bond shall surrender the Bond to the Bond Registrar (a) for payment of the redemption price of the \$100,000 unit or units of face value called for redemption (including without limitation the interest accrued to the date fixed for redemption and any premium) and (b) for issuance, without charge to the registered owner thereof, of a new 2000B Bond or Bonds of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed

portion of, and bearing interest at the same rate and maturing on the same date as, the 2000B Bond surrendered.

SECTION 2.9. Notice of Redemption.

When required to redeem 2000B Bonds under any provision of this Supplemental Agreement, or when directed to do so by the Authority pursuant to the provisions of this Supplemental Agreement, the Trustee shall cause notice of the redemption to be given not more than 60 days and not less than 15 days (30 days if the 2000B Bonds are in a Term Mode or bearing interest at the Fixed Rate) prior to the redemption date in accordance with Section 302 of the Initial Agreement and while the Standby Bond Purchase Agreement is in effect, shall cause such notice to also be given to the Bank.

In addition, the Trustee shall at all reasonable times and upon prior written notice make available to the Authority, the Bank and the Remarketing Agent complete information as to 2000B Bonds which have been redeemed or called for redemption.

SECTION 2.10. Use of Moneys and Defeasance Obligations to Defeasance or Redeem 2000B Bonds.

For purposes of Sections 1201 of the Initial Agreement, moneys and/or Defeasance Obligations shall be deemed to be sufficient to pay or redeem 2000B Bonds on a specified date if the moneys and/or principal and the interest on such Defeasance Obligations, when due and without any reinvestment, will be sufficient to pay on such date the principal of or Redemption Price of, interim interest due and the interest accruing on, such 2000B Bonds on or prior to such date; provided that (i) such amount on deposit shall be deemed sufficient only if (A) while the 2000B Bonds bear interest at a Daily Rate or Weekly Rate, it provides for payment of interest at the Maximum Rate and the Authority shall have surrendered any power hereunder to thereafter change the Maximum Rate; provided further that the Trustee shall first have received written confirmation by each Rating Service rating 2000B Bonds Outstanding hereunder that such provision for payment will not result in a reduction, withdrawal or suspension of any rating on the 2000B Bonds and the consent of the Insurer, which consent shall not be unreasonably withheld, or (B) (1) while the 2000B Bonds bear interest at a Term Rate, if the Standby Bond Purchase Agreement is to be in effect, it provides for payment of interest at such Term Rate and the 2000B Bonds have been irrevocably called or designated for redemption on or before the first possible mandatory tender date for such Bonds and the Trustee has received the consent of the Insurer, which consent shall not be unreasonably withheld, or (2) while the 2000B Bonds bear interest at a Term Rate and the Standby Bond Purchase Agreement is not in effect, it provides for payment of interest at such Term Rate and the 2000B Bonds have been irrevocably called or designated for redemption on or before the Term Rate Period End Interest Payment Date of the Term Period for which such Term Rate has been set and the Trustee has received the consent of the Insurer, which consent shall not be unreasonably withheld.

SECTION 2.11. Book-Entry System.

(a) To exercise any optional tender pursuant to Section 3.1 hereof, in addition to notifying the Remarketing Agent and the Trustee, as the case may be, a beneficial owner must notify The Depository Trust Company ("DTC" or "The Depository Trust Company") participant, if the Remarketing Agent is not such beneficial owner's DTC participant, of its decision to demand the purchase of its 2000B Bonds as provided herein.

(b) In the event that the Remarketing Agent fails to remarket all of the 2000B Bonds on a Purchase Date, such beneficial owner's DTC participant shall cause to be transferred such 2000B Bonds to an account of the Trustee at DTC and the Trustee, upon receipt of the proceeds drawn under the Standby Bond Purchase Agreement, shall cause the purchase price of the 2000B Bonds to be transferred to an account of such beneficial owner's DTC participant against receipt of such 2000B Bonds.

(c) Upon remarketing of 2000B Bonds, payment of the purchase price thereof shall be made to DTC and no physical delivery or surrender of 2000B Bonds is expected to be required; such delivery or surrender of the 2000B Bonds shall be accomplished through DTC's book entry system. Such sales shall be made through DTC participants (which may include the Remarketing Agent) and the DTC participants shall transmit payment to the beneficial owners whose 2000B Bonds were purchased pursuant to a remarketing. The Authority, the Trustee, the Paying Agent and the Remarketing Agent are not responsible for transfers of payment to DTC participants or beneficial owners.

ARTICLE III

PURCHASE AND REMARKETING OF 2000B BONDS

SECTION 3.1. Purchase on Demand of Holder During Daily Mode and Weekly Mode.

While the 2000B Bonds are in the Daily Mode or the Weekly Mode, any 2000B Bond (or portion thereof in an authorized denomination) shall be purchased on the demand of the registered owner thereof on any Business Day designated by such registered owner in a Bondholder Tender Notice in compliance with this Section 3.1 at a purchase price equal to 100% of the principal amount thereof plus, in the case of purchases on a Purchase Date which is not an Interest Payment Date, accrued interest, if any, to the Purchase Date, if there is delivered to the Trustee at its principal office, and to the Remarketing Agent at its Principal Office, by 10:00 a.m. Eastern Time in the case of 2000B Bonds in the Daily Mode (any notice given after 10:00 a.m. Eastern Time shall be deemed given on the next succeeding Business Day), a Bondholder Tender Notice which (i) states the principal amount (or portion thereof) of such 2000B Bond, (ii) states the Purchase Date on which such 2000B Bond (or portion thereof) shall be purchased pursuant to this Section, which date in the case of 2000B Bonds in the Daily Mode, shall be the day the Bondholder Tender Notice is provided or deemed provided, and in the case of 2000B Bonds in the Weekly Mode, shall be a Business Day not prior to the seventh

day next succeeding the date of the delivery of such notice to the Trustee and the Remarketing Agent, and (iii) contains a representation that the undersigned is the beneficial owner of the 2000B Bond tendered. By delivering the Bondholder Tender Notice, the registered owner irrevocably agrees to deliver such 2000B Bond, if not held in book-entry form, duly endorsed for transfer in blank and with guarantee of signature satisfactory to the Trustee, to the principal office of the Trustee or any other address designated by the Trustee at or prior to 12:00 noon Eastern Time on the Purchase Date specified in the Bondholder Tender Notice. The determination by the Trustee of a registered owner's compliance with the Bondholder Tender Notice and delivery requirements of this Section is in the sole discretion of the Trustee and binding on the Authority, the Remarketing Agent, the Bank and the registered owner and beneficial owner of the 2000B Bonds. Any Bondholder Tender Notice which the Trustee determines is not in compliance with this Section shall be of no force or effect.

So long as the 2000B Bonds are registered to, and held in book-entry form by, DTC or its nominee, the beneficial owner of 2000B Bonds is responsible for submitting the Bondholder Tender Notice and shall be treated as the registered owner of such 2000B Bonds for such purpose.

Any election by a registered owner to tender a 2000B Bond (or portion thereof) for purchase on a Business Day in accordance with this Section shall be irrevocable and shall be binding on the registered owner making such election and on any transferee of such registered owner. Each Bondholder Tender Notice shall automatically constitute (i) an irrevocable offer to sell the 2000B Bond (or portion thereof) to which such notice relates on the Purchase Date at a price equal to the purchase price of such 2000B Bond (or portion thereof), (ii) an irrevocable authorization and instruction to the Trustee to effect transfer of such 2000B Bond (or portion thereof) upon payment of the purchase price to the Trustee on the Purchase Date, (iii) with respect to a tender of a portion of a 2000B Bond, an irrevocable authorization and instruction to the Trustee to effect the exchange of such 2000B Bond in part for other 2000B Bonds in a principal amount equal to the retained portion so as to facilitate the sale of the tendered portion of such 2000B Bond, and (iv) an acknowledgment that such registered owner will have no further rights with respect to such 2000B Bond (or portion thereof) upon payment of the purchase price thereof to the Trustee on the Purchase Date, except for the right of such registered owner to receive such purchase price upon surrender of such 2000B Bond, if not held in book-entry form, to the Trustee endorsed for transfer in blank and with guarantee of signature satisfactory to the Trustee and that after the Purchase Date such registered owner will hold such 2000B Bond as agent for the Trustee. If the 2000B Bonds are not held in book-entry form and, after delivery to the Trustee and the Remarketing Agent of a Bondholder Tender Notice in accordance with this Section, the registered owner making such election shall fail to deliver such 2000B Bond or 2000B Bonds described in the Bondholder Tender Notice to the Trustee at its principal office on or before 12:00 noon Eastern Time on the applicable Purchase Date as required by this Section, then the undelivered 2000B Bond or portion thereof described in such Bondholder Tender Notice shall be deemed to have been tendered for purchase to the Trustee and, to the extent that there shall be held by the Trustee on or before the applicable Purchase Date an amount sufficient to pay the purchase price thereof and

available for such purpose pursuant to the terms of this Section, such Undelivered Bond shall on such Purchase Date cease to bear interest and no longer shall be considered to be Outstanding. Monies held by the Trustee for the purchase of the Undelivered Bonds in accordance with the provisions of this Section shall be held in a special separate trust account for the registered owners of such Undelivered Bonds. Such monies shall be held by the Trustee uninvested and without liability for interest pending delivery of such Undelivered Bonds to the Trustee.

The Trustee shall, as to any Undelivered Bond, promptly place a stop transfer against an appropriate amount of 2000B Bonds registered in the name of the registered owner thereof on the bond register. The Trustee shall place such stop transfer commencing with the lowest serial number 2000B Bond registered in the name of such registered owner (until stop transfers have been placed against an appropriate amount of 2000B Bonds) until the appropriate tendered 2000B Bonds are delivered to the Trustee. Upon such delivery, the Trustee shall make any necessary adjustments to the bond register.

If the 2000B Bonds are not held in book-entry form and if for any reason a registered owner fails to deliver a tendered 2000B Bond to the Trustee on the Purchase Date, the Authority shall execute and the Trustee shall authenticate and deliver in accordance with Section 3.3 a new 2000B Bond or 2000B Bonds in replacement of the Undelivered Bond. The replacement of any such Undelivered Bond shall not be deemed to create new indebtedness, but such 2000B Bond as is issued in replacement shall be deemed to evidence the indebtedness previously evidenced by the Undelivered Bond.

A registered owner who gives a Bondholder Tender Notice may repurchase the 2000B Bonds so tendered on the Purchase Date if the Remarketing Agent agrees to remarket such 2000B Bond to such registered owner, and if the Remarketing Agent agrees to remarket the specified 2000B Bond to such registered owner prior to delivery of such 2000B Bonds as set forth above, the delivery requirement set forth above shall be waived.

Upon surrender of any 2000B Bond (which is not held in book-entry form) for purchase in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the registered owner thereof a new 2000B Bond or 2000B Bonds of the same maturity, of authorized denominations, in an aggregate principal amount equal to the unpurchased portion of the 2000B Bond surrendered.

On the date set for purchase of 2000B Bonds to be purchased pursuant to this Section and upon receipt by the Trustee of 100% of the aggregate purchase price of such 2000B Bonds, the Trustee shall pay the purchase price of such 2000B Bonds to the selling registered owners thereof at its principal office at or before 5:00 p.m. Eastern Time (but no later than the time required pursuant to the Representation Letter); provided that such 2000B Bond (if not held in book-entry form) shall have been surrendered to the Trustee properly endorsed for transfer on such date with all signatures guaranteed at or prior to 12:00 noon

Eastern Time on such Purchase Date. Such payment shall be made in immediately available funds and shall be made only with the following funds in the following order of availability:

(1) monies held in the Remarketing Proceeds Purchase Account representing proceeds from the remarketing of such 2000B Bonds by the Remarketing Agent to any Person other than the Authority (the Trustee shall be entitled to assume the 2000B Bonds were not remarketed to the Authority unless it is notified in writing of such a remarketing by the Remarketing Agent); and

(2) proceeds from drawings by the Trustee under the Standby Bond Purchase Agreement and deposited directly by the Trustee into the Standby Bond Purchase Agreement Purchase Account (provided that such proceeds shall not be applied to purchase Bank Bonds, 2000B Bonds held by or on behalf of the Insurer (the "Insurer Bonds") or Authority Bonds).

Notwithstanding Section 305 of the Initial Agreement, no purchase of 2000B Bonds pursuant to this Section shall be deemed to be a payment or a redemption of such 2000B Bonds or any portion thereof and such purchase will not operate to extinguish, defease or discharge the indebtedness of such 2000B Bonds.

SECTION 3.2. Mandatory Purchase on Conversion Date and at End of Term Rate Period; Upon Expiration of Standby Bond Purchase Agreement; Upon Providing of an Alternate Liquidity Facility; Upon Default Under Standby Bond Purchase Agreement; or Substitution of Bond Insurance Policy.

The 2000B Bonds shall be subject to mandatory purchase at a purchase price equal to the principal amount thereof plus, in the case of purchases on a Purchase Date which is not an Interest Payment Date, accrued interest thereon to the Purchase Date, as follows:

- (a) on each Conversion Date, or if such Conversion Date is not a Business Day, the first Business Day succeeding such Conversion Date, and on the first Business Day immediately following the end of each Term Rate Period;
- (b) on the Substitution Tender Date, if an Alternate Liquidity Facility is to be provided in lieu of the Standby Bond Purchase Agreement;
- (c) on the Expiration Tender Date, in the event the Standby Bond Purchase Agreement is to expire on the Expiration Date;
- (d) on the date five (5) Business Days prior to the date on which the Substitute Bond Insurance Policy is to be delivered, in the event a Substitute Bond Insurance Policy is issued pursuant to the requirements of Section 8.4 hereof; and
- (e) within twenty-five (25) days of receipt by the Trustee of a Notice of Expiration under Section 7.2(b) of the Standby Bond Purchase Agreement on a date established

by the Trustee which shall be a Business Day, in the event there shall be a Notice Expiration Event under the Standby Bond Purchase Agreement.

In the case of any Immediate Termination Event, the Available Commitment and the obligation of the Bank to purchase 2000B Bonds shall immediately terminate without notice or demand, and thereafter the Bank shall be under no obligation to purchase 2000B Bonds. Upon receipt by the Trustee of notice from the Bank of such Immediate Termination Event, the Trustee shall immediately notify the registered owners of the termination or suspension of the Available Commitment, as appropriate, and the obligation of the Bank to purchase the 2000B Bonds.

In the case of any mandatory purchase of the 2000B Bonds pursuant to clause (b), (c), (d) or (e) above, the Trustee shall cause notice of such mandatory purchase to be given not more than 45 and not less than 15 days prior to the Purchase Date, by mailing copies of such notice of mandatory purchase by first class mail, postage prepaid, to all registered owners of 2000B Bonds to be purchased at their registered addresses, but failure to mail any such notice or defect in the mailing thereof in respect of any 2000B Bond shall not affect the validity of the mandatory purchase of any other 2000B Bond with respect to which notice was properly given. Each such notice shall be dated and shall be given in the name of the Authority and shall state the following information: (i) the identification numbers, as established under this Supplemental Agreement, and the CUSIP numbers, if any, of the 2000B Bonds being purchased; (ii) any descriptive information needed to identify accurately the 2000B Bonds; (iii) the Purchase Date; (iv) the purchase price; (v) that on the Purchase Date the purchase price will become due and payable upon each 2000B Bond; (vi) the place where the 2000B Bonds are to be delivered for payment of the purchase price, which place of payment shall be the principal office of the Trustee; and (vii) the registered owners of 2000B Bonds shall be required to deliver their 2000B Bonds for purchase to the Trustee at its principal office prior to 12:00 noon Eastern Time on the corresponding Purchase Date, and any 2000B Bond not so delivered prior to 12:00 noon Eastern Time on the applicable Purchase Date shall be deemed to have been tendered to the Trustee as of such Purchase Date and, from and after such Purchase Date, shall cease to bear interest and no longer shall be considered to be Outstanding. In the event of a failure by a registered owner to deliver such registered owner's 2000B Bond on or before the applicable Purchase Date, such registered owner shall not be entitled to any payment (including any interest to accrue subsequent to such Purchase Date) other than the purchase price for such Undelivered Bond, such Undelivered Bond shall no longer be entitled to the benefits of the Agreement, except for the purpose of payment of the purchase price therefor, and such registered owner shall thereafter hold such Undelivered Bond as agent for the Trustee. If for any reason a registered owner fails to deliver to the Trustee on or before the applicable Purchase Date any 2000B Bond remarketed by the Remarketing Agent pursuant to this Section 3.2, the Authority shall execute and the Trustee shall authenticate and deliver to the Remarketing Agent for redelivery to the purchaser a new 2000B Bond or 2000B Bonds in replacement of the Undelivered Bond. The replacement of any such Undelivered Bond shall not be deemed to create new indebtedness, but such 2000B Bond as is issued in replacement shall be deemed to evidence the indebtedness previously evidenced by the Undelivered Bond.

On the date set for purchase of 2000B Bonds to be purchased pursuant to this Section 3.2 and upon receipt by the Trustee of 100% of the aggregate purchase price of such 2000B Bonds, the Trustee shall pay the purchase price of such 2000B Bonds to the selling registered owners thereof at its principal office at or before 5:00 p.m. Eastern Time (or such earlier time as agreed to by the Trustee in any Representation Letter); provided that such 2000B Bonds shall have been surrendered to the Trustee properly endorsed for transfer on such date with all signatures guaranteed at or prior to 12:00 noon Eastern Time on such date. Such payment shall be made in immediately available funds and payment for 2000B Bonds purchased pursuant to this Section shall be made only with the following funds in the following order of availability:

(1) monies held in the Remarketing Proceeds Purchase Account representing proceeds from the remarketing of such 2000B Bonds by the Remarketing Agent to any Person other than the Authority (the Trustee shall be entitled to assume the 2000B Bonds were not remarketed to the Authority unless it is notified in writing of such a remarketing by the Remarketing Agent); and

(2) proceeds from drawings by the Trustee under the Standby Bond Purchase Agreement and deposited directly by the Trustee into the Standby Bond Purchase Agreement Purchase Account (provided that such proceeds shall not be applied to purchase Bank Bonds, Insurer Bonds or Authority Bonds).

Notwithstanding Section 305 of the Initial Agreement, no purchase of 2000B Bonds pursuant to this Section shall be deemed to be a payment or a redemption of such 2000B Bonds or any portion thereof and such purchase will not operate to extinguish, defease or discharge the indebtedness of such 2000B Bonds.

SECTION 3.3. Remarketing.

Upon delivery of a Bondholder Tender Notice to the Trustee and the Remarketing Agent pursuant to Section 3.1 and not later than the fifth day preceding the Purchase Date for each mandatory purchase pursuant to Section 3.2, the Remarketing Agent shall use its best efforts to find purchasers for and arrange for the sale of the 2000B Bonds identified in the Bondholder Tender Notice pursuant to Section 3.1 or all 2000B Bonds subject to mandatory purchase pursuant to Section 3.2 (provided, however that in the event the Standby Bond Purchase Agreement is terminated or expires and the 2000B Bonds have not been converted to the Term Rate or Fixed Rate, and no Alternate Liquidity Facility has been put in place, appropriate amendments have been made to this Supplemental Agreement to accommodate future 2000B Bond tenders and purchases without a Standby Bond Purchase Agreement; provided, further, that if such appropriate amendments have not been made, the Remarketing Agent shall not remarket the 2000B Bonds), at a price equal to the principal amount thereof plus, in the case of purchases on a Purchase Date which is not an Interest Payment Date, accrued interest thereon, for settlement in immediately available funds at or before 2:00 p.m. Eastern Time on the applicable Purchase Date. Except as otherwise expressly provided herein, the Remarketing Agent may not remarket to the Authority or the

Insurer, any 2000B Bonds to be purchased pursuant to Section 3.1 or 3.2. In its capacity as a registered broker-dealer, the Remarketing Agent may, but is not obligated to, acquire for its own account any 2000B Bonds to be so purchased, but not otherwise remarketed, in which case the Remarketing Agent shall have remarketed such 2000B Bonds to itself. The Remarketing Agent may purchase and sell 2000B Bonds for its own account at any time.

In the case of 2000B Bonds in the Daily Mode to be purchased pursuant to Section 3.1, at or before 11:00 a.m. Eastern Time on the Purchase Date, and in all other cases, at or before 2:00 p.m. Eastern Time on the Business Day preceding the Purchase Date of 2000B Bonds to be purchased pursuant to Section 3.1 or 3.2 and remarketed pursuant to this Section (or such other time as to which the Trustee and the Remarketing Agent may agree), the Remarketing Agent shall give notice by telephone promptly confirmed in writing or telecopy or other similar communication to the Trustee of the names, addresses and taxpayer identification numbers of the purchasers and the denominations of 2000B Bonds to be delivered to each purchaser and, if available, the payment instructions for regularly scheduled interest payments, if different from the address of record on the registration books kept by the Bond Registrar.

The Remarketing Agent shall, at or before 11:30 a.m. Eastern Time on the Purchase Date in the case of 2000B Bonds in the Daily Mode to be purchased pursuant to Section 3.1, and, in all other cases, at or before 3:00 p.m. Eastern Time on the Business Day prior to the Purchase Date of 2000B Bonds to be purchased pursuant to Section 3.1 or 3.2 and remarketed pursuant to this Section, give telephonic notice, promptly confirmed in writing, to the Trustee, the Authority and the Bank specifying the principal amount of 2000B Bonds remarketed and not remarketed, respectively, and the amount representing the purchase price of 2000B Bonds which the Remarketing Agent does not then hold in trust.

The Remarketing Agent shall cause to be paid to the Trustee in immediately available funds by 2:00 p.m. Eastern Time on the Purchase Date of 2000B Bonds to be purchased pursuant to Section 3.1 or 3.2 and remarketed pursuant to this Section, all amounts (if any) then held by the Remarketing Agent representing proceeds of the remarketing of such 2000B Bonds. All such remarketing proceeds received by the Trustee shall be deposited by the Trustee in a special trust account designated as the Remarketing Proceeds Purchase Account for the 2000B Bonds which the Trustee shall establish and use as provided in this Article III and shall not be commingled with other funds held by the Trustee. All monies in the Remarketing Proceeds Purchase Account shall be held in trust, uninvested and without liability for interest thereon, pending application of such monies by the Trustee pursuant to this Article. Amounts in such account shall not be subject to the lien of the Agreement and shall be available only for payments to registered owners of tendered 2000B Bonds.

On the Purchase Date of 2000B Bonds to be purchased pursuant to Sections 3.1 or 3.2, the Trustee shall register (or hold) all 2000B Bonds purchased on such date as follows:

(a) 2000B Bonds remarketed by the Remarketing Agent shall be registered and made available (at the principal office of the Trustee) to the Remarketing Agent or the

purchasers thereof in accordance with the written instructions of the Remarketing Agent delivered to the Trustee pursuant to this Section 3.3; and

(b) 2000B Bonds purchased with proceeds of a drawing by the Trustee under the Standby Bond Purchase Agreement shall be held as Bank Bonds by the Trustee as agent for the Bank in accordance with Section 3.5.

Any 2000B Bond (or portion thereof) with respect to which the Trustee receives a Bondholder Tender Notice pursuant to Section 3.1 on or after the date notice of a mandatory purchase pursuant to Section 3.2 or redemption pursuant to Section 2.7 is given and before the corresponding mandatory Purchase Date or redemption date, respectively, shall not be remarketed except to a buyer who receives and acknowledges the binding effect of such notice. 2000B Bonds purchased pursuant to a Bondholder Tender Notice under Section 3.1 on or after the date notice of mandatory purchase is given and before the corresponding mandatory Purchase Date and not remarketed, shall not be subject to mandatory purchase, but shall remain Outstanding. In addition, 2000B Bonds which are deemed paid pursuant to Article XII of the Initial Agreement shall not be remarketed but shall be cancelled upon being purchased pursuant to Section 3.1 or 3.2 in accordance with the Bond cancellation provisions of Section 305 of the Initial Agreement.

SECTION 3.4. Amounts Available Under Standby Bond Purchase Agreement for Purchase of 2000B Bonds.

As provided by Section 3.3, the Remarketing Agent shall advise the Trustee of the portion of the purchase price of the 2000B Bonds not held by the Remarketing Agent, which amounts shall be drawn in accordance with the Standby Bond Purchase Agreement by the Trustee in order for the Trustee to make timely payments of purchase price of 2000B Bonds from remarketing proceeds or monies drawn under the Standby Bond Purchase Agreement. In the absence of such notice, the Trustee shall be deemed to have received notice from the Remarketing Agent specifying that no portion of the purchase price of such 2000B Bonds is held by the Remarketing Agent, in which case the Trustee shall draw the entire amount thereof under the Standby Bond Purchase Agreement. No later than 12:00 noon Eastern Time on each Purchase Date, the Trustee shall take all action necessary to draw under the Standby Bond Purchase Agreement in accordance with its terms, the amounts specified (or deemed specified) on such Purchase Date which shall be, together with remarketing proceeds available therefor, sufficient to pay principal and interest due on the Purchase Date. The Trustee shall establish a special trust account designated as the Standby Bond Purchase Agreement Purchase Account for the 2000B Bonds into which the Trustee shall deposit and hold in trust, uncommingled, uninvested and without liability for interest thereon, all such amounts (and only such amounts) received from drawings under the Standby Bond Purchase Agreement for purchases of such 2000B Bonds pending application of such amounts by the Trustee pursuant to this Article III. Amounts in such account shall not be subject to the lien of the Agreement and shall be available only for payment to registered owners of tendered 2000B Bonds. Any remaining amounts in a Standby Bond Purchase Agreement Purchase Account after any application required by this Article III shall be paid over by the Trustee to the Bank

pursuant to the Standby Bond Purchase Agreement; provided that the Available Commitment shall be reinstated to the extent of such reimbursement and the Trustee shall take all necessary action on its part pursuant to such Standby Bond Purchase Agreement to effect such reinstatement of the Available Commitment. Anything herein to the contrary notwithstanding, no amounts drawn under the Standby Bond Purchase Agreement shall be applied to the purchase of Bank Bonds, Insurer Bonds or Authority Bonds.

The Trustee and the Paying Agent shall not assign or otherwise transfer the Standby Bond Purchase Agreement, except to a successor Trustee and Paying Agent hereunder and in accordance with the terms of the Standby Bond Purchase Agreement and this Supplemental Agreement.

SECTION 3.5. 2000B Bonds Purchased Pursuant to the Standby Bond Purchase Agreement.

(a) Bank Bonds. 2000B Bonds purchased under the Standby Bond Purchase Agreement pursuant to this Article shall constitute "Bank Bonds" and shall be held by the Trustee as agent for the Bank as pledgee of the Authority pursuant to the Standby Bond Purchase Agreement (and shall be shown as such on the register and, if held in book-entry form, in the ownership records maintained by DTC and any applicable DTC participant) unless and until (1) the Trustee has written confirmation from the Bank to the extent contemplated by the terms of the Standby Bond Purchase Agreement that the Available Commitment has been reinstated with respect to such purchase and (2) the Bank has notified the Trustee by telephone (thereafter promptly confirmed in writing) that such 2000B Bonds have been released from the pledge pursuant to the Standby Bond Purchase Agreement and are no longer Bank Bonds. Pending reinstatement of the Available Commitment and release of such Bank Bonds from the pledge as aforesaid, the Bank shall be entitled to receive all payments of principal of and interest (up to the Maximum Rate, with any amount in excess thereof being subject to Section 8.7 hereof) on Bank Bonds as and to the same extent as any other owner of 2000B Bonds and such 2000B Bonds shall not be transferable or deliverable to any party (including the Authority) except to the Bank pursuant to the Standby Bond Purchase Agreement; provided that in purchasing 2000B Bonds, the requirements of Section 4.2 of the Standby Bond Purchase Agreement shall be met. Each Bank Bond shall bear interest on the outstanding principal amount thereof at the Bank Rate for each day from and including the date such Bond becomes a Bank Bond to, but not including, the date such Bond is paid in full or ceases to be a Bank Bond, all as more fully provided in the Standby Bond Purchase Agreement; provided that in no event shall any amount of interest due the Bank in excess of the Maximum Rate constitute a portion of the Interest Requirement for purposes of the Agreement. Bank Bonds shall not bear interest at the Bank Rate after such Bonds have been remarketed or have otherwise ceased to be Bank Bonds in accordance with the terms of the Standby Bond Purchase Agreement unless such Bonds shall again become Bank Bonds.

(b) Remarketing of Bank Bonds. The Remarketing Agent shall continue to use its best efforts to arrange for the sale of any Bank Bonds required to be remarketed pursuant to Section 3.3, subject to full reinstatement of the Standby Bond Purchase Agreement

with respect to the drawings with which such 2000B Bonds were purchased, at a price equal to the principal amount thereof plus accrued interest, all in accordance with the further provisions of the Standby Bond Purchase Agreement.

(c) Notice of Remarketing. At or prior to 9:30 a.m. on the Business Day on which any Bank Bonds that are successfully remarketed by the Remarketing Agent are to be purchased, the Remarketing Agent shall give telephonic notice, promptly confirmed in writing, to the Trustee, the Authority and the Bank specifying:

(1) the Business Day on which such purchase will take place and the principal amount of Bank Bonds successfully remarketed by the Remarketing Agent, and

(2) to the Trustee only, the names, addresses and tax identification numbers of the proposed purchasers thereof and the denominations of 2000B Bonds to be delivered to each purchaser and, if available, the payment instructions for regularly scheduled interest payments.

(d) Delivery of Remarketed Bank Bonds and Proceeds Thereof. Contemporaneously with reinstatement of the Available Commitment as described in subsection 3.5(a) and the delivery of Bank Bonds arranged by the Remarketing Agent as described in subsection 3.5(b), (i) such 2000B Bonds (if not held in book-entry form) shall be made available at the principal office of the Trustee to the Remarketing Agent or the purchasers thereof in accordance with the instructions of the Remarketing Agent and (ii) the proceeds of such sale shall be delivered to the Bank for the account of the Authority to be applied to reinstate the Available Commitment in an amount commensurate with the principal amount of Bank Bonds sold pursuant to Section 3.5(b) hereof.

SECTION 3.6. Authority Bonds.

(a) Remarketing of Authority Bonds. As long as a the Standby Bond Purchase Agreement is in effect for the 2000B Bonds and subject to the provisions and limitations of the Remarketing Agreement and Section 3.3, the Remarketing Agent shall, if so directed by the Authority, use its best efforts to arrange for the sale of any Authority Bonds, at a price equal to the principal amount thereof, plus accrued interest.

(b) Notice of Remarketing. On or prior to each Business Day on which any Authority Bonds that are successfully remarketed by the Remarketing Agent pursuant to Section 3.6(a) are to be purchased, the Remarketing Agent shall give telephonic notice, promptly confirmed in writing, to the Trustee, the Authority and the Bank specifying:

(1) the Business Day on which such purchase will take place and the principal amount of Authority Bonds successfully remarketed by the Remarketing Agent, and

(2) to the Trustee only, the names, addresses and tax identification numbers of the proposed purchasers thereof, the denominations of 2000B Bonds to be delivered to each purchaser and, if available, the payment instructions for regularly scheduled interest payments.

(c) Delivery of Remarketed Authority Bonds and Proceeds Thereof. Upon the sale of Authority Bonds arranged by the Remarketing Agent pursuant to Section 3.6(a), (i) such 2000B Bonds (if not held in book-entry form) shall be made available at the principal office of the Trustee to the Remarketing Agent or the purchasers thereof in accordance with the instructions of the Remarketing Agent and (ii) the proceeds of such sale shall be delivered to the Authority.

SECTION 3.7. No Purchases After Immediate Termination Event; Inadequate Funds for Purchases.

Anything in this Supplemental Agreement to the contrary notwithstanding, there shall be no purchases of 2000B Bonds pursuant to this Article if there shall have occurred and be continuing an Immediate Termination Event.

If the funds available for purchases of 2000B Bonds are inadequate for the purchase of all 2000B Bonds tendered on any Purchase Date pursuant to this Article, the Trustee shall: (a) return all tendered 2000B Bonds to the registered owners thereof; and (b) return all monies received for the purchase of such 2000B Bonds (other than monies provided by the Authority and other than Standby Bond Purchase Agreement proceeds, unless the Available Commitment is reinstated with respect thereto) to the persons providing such monies.

ARTICLE IV

FUNDS AND STANDBY BOND PURCHASE AGREEMENT

SECTION 4.1. Investment of Certain Accounts.

Monies deposited in the Standby Bond Purchase Agreement Purchase Account or the Remarketing Proceeds Purchase Account shall not be invested but shall be held in their respective accounts pending application pursuant to Article III.

SECTION 4.2. Alternate Liquidity Facility.

Subject to the requirements of the Standby Bond Purchase Agreement, (i) the Bank may be replaced at the direction of the Authority, with the consent of the Insurer, or (ii) the Bank may be replaced upon the expiration of the Standby Bond Purchase Agreement, and an Alternate Liquidity Facility may be substituted for the Standby Bond Purchase Agreement with the approval of the Insurer, or (iii) the Authority may terminate the Standby Bond Purchase Agreement without delivery of an Alternate Liquidity Facility with the approval of the Insurer;

provided, however, that the Standby Bond Purchase Agreement shall not be released or cancelled until all amounts payable thereunder to the Trustee have been honored. No termination shall be effective prior to the mandatory tender of all 2000B Bonds and receipt by the Authority, the Trustee and Paying Agent and the Insurer of an opinion of Bond Counsel that such termination will not adversely affect the exclusion from gross income of the interest on the 2000B Bonds for federal income tax purposes. No substitution or replacement of the Standby Bond Purchase Agreement shall be effective unless the Trustee shall have received (i) an opinion of Bond Counsel that such action will not adversely affect the exclusion from gross income of the interest on the 2000B Bonds for federal income tax purposes, (ii) an opinion of counsel as to the enforceability of the Alternate Liquidity Facility, and (iii) a notice from the Rating Services confirming that the ratings on the 2000B Bonds will not be lowered or withdrawn as a result of such action. Upon the delivery of an Alternate Liquidity Facility, such facility shall constitute the Standby Bond Purchase Agreement for purposes of this Supplemental Agreement.

ARTICLE V

FORM OF BONDS, AUTHORIZATION, APPOINTMENTS AND APPLICATION OF BOND PROCEEDS

SECTION 5.1. Form of 2000B Bonds.

The definitive 2000B Bonds issued under the provisions of this Supplemental Agreement shall be in substantially the form set forth in Appendix A. The 2000B Bonds shall be issued in registered form without coupons in the name of Cede & Co., as nominee of The Depository Trust Company, with certificates which shall be numbered BR-1 followed by the number of the 2000B Bonds.

SECTION 5.2. Authorization of Bonds.

Upon their execution in the form and manner set forth in the Agreement and this Supplemental Agreement, the 2000B Bonds shall be deposited with the Bond Registrar for authentication, and the Bond Registrar is hereby authorized and directed to authenticate and, upon due and valid execution and acceptance of the Agreement and this Supplemental Agreement, by the proper parties thereto, the Trustee shall cause the Bond Registrar to deliver the 2000B Bonds for the account of Prudential Securities Incorporated at The Depository Trust Company, New York, New York (or its custodian), against payment therefor in accordance with and subject to the provisions of Section 209 of the Agreement.

SECTION 5.3. Appointments.

Pursuant to Section 209 of the Agreement, the Authority hereby makes or affirms the following appointments:

(a) as Paying Agent and Bond Registrar for the Bonds, Wilmington Trust Company, which is also Trustee under the Agreement and this Supplemental Agreement;

(b) as Depository with respect to the following funds, each of the following:

(i) Series 2000B Construction Account in the Construction Fund:
Commerce Bank;

(ii) Revenue Fund: Wilmington Trust Company;

(iii) Reserve Maintenance Fund: PNC Bank;

(iv) General Fund: (including the Authority's self-insurance fund)
Wilmington Trust Company; and

(v) Remarketing Proceeds Purchase Account and Standby Bond
Purchase Agreement Purchase Account: Wilmington Trust Company.

(c) as Insurer with respect to the 2000B Bonds, Ambac Assurance Corporation;

(d) as Bank, Dexia Public Finance Bank; and

(e) as Remarketing Agent, Prudential Securities Incorporated.

SECTION 5.4. Application of 2000B Bond Proceeds.

The proceeds of the 2000B Bonds shall be applied in accordance with the provisions of Section 209 of the Agreement as follows:

(1) to the Trustee for deposit to a special account in the Debt Service Fund, the amount of any accrued interest received with the purchase price with respect to the 2000B Bonds;

(2) to the Trustee for deposit to the Debt Service Reserve Fund, a portion of the proceeds of the 2000B Bonds in the amount of \$3,000,000;

(3) to the Insurer, in satisfaction of the premium payment to the Insurer in connection with the issuance of the Bond Insurance Policy, the amount of \$262,689.96;

(4) to the Trustee for deposit in the General Fund, a portion of the proceeds of the 2000B Bonds in the amount of \$7,042,767.05 to reimburse the Authority for costs of the Additional Facilities previously paid;

(5) to the Bank, the amount of \$48,000; and

(6) to Commerce Bank for deposit to a special subaccount in the Construction Fund designated "Series 2000B Construction Account," the balance of the proceeds (\$19,556,543) of such 2000B Bonds.

ARTICLE VI

REGARDING THE INSURER

SECTION 6.1. Additional Provisions.

The following provisions are incorporated in this Supplemental Agreement and shall apply to the 2000B Bonds as long as the Insurer is not in default under the Bond Insurance Policy:

(a) The definition of "Defeasance Obligations" in Article I of the Initial Agreement shall be amended to read as follows; provided, in any event, that such obligations also constitute "Defeasance Obligations" as defined originally in the Initial Agreement.

Defeasance Obligations. The term "Defeasance Obligations" shall mean (i) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in subsection (ii) below), or (ii) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America.

(b) Notwithstanding anything to the contrary, in the event that the principal and/or interest due on the 2000B Bonds shall be paid by the Insurer pursuant to the Bond Insurance Policy, the 2000B Bonds shall remain Outstanding for all purposes, not be considered defeased or otherwise satisfied and not be considered paid by the Authority and the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Authority to the registered owners shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of such registered owners.

(c) While the Bond Insurance Policy is in effect, the Authority or the Trustee shall furnish to the Insurer (to the attention of the Surveillance Department unless otherwise indicated):

(1) as soon as practicable after the filing thereof, a copy of any financial statement of the Authority and a copy of any audit and annual report of the Authority;

(2) a copy of any notice to be given to the registered owners of the 2000B Bonds, including, without limitation, notice of any redemption of or defeasance of 2000B Bonds, and any certificate rendered pursuant to the Agreement relating to the security for the 2000B Bonds; and

(3) such additional information as the Insurer may reasonably request.

(d) The Trustee shall notify the Insurer (to the attention of the General Counsel Office) of any failure of the Authority to provide relevant notices, certificates, or other documentation.

(e) The Authority will permit the Insurer to discuss the affairs, finances and accounts of the Authority or any information the Insurer may reasonably request regarding the security for the 2000B Bonds with appropriate officers of the Authority. The Trustee or Authority, as appropriate, will permit the Insurer to have access to and to make copies of all books and records relating to the 2000B Bonds at any reasonable time.

(f) The Insurer shall have the right to direct an accounting at the Authority's expense, and the Authority's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the Insurer shall be deemed a default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the 2000B Bonds.

(g) Notwithstanding any other provision of the Agreement, the Trustee or the Authority, as appropriate, are each obligated to immediately notify the Insurer (to the attention of the General Counsel Office) if at any time there are insufficient moneys to make any payments of principal and/or interest on the 2000B Bonds as required and immediately upon the occurrence of any event of default under the Agreement.

(h) To the extent that the Authority has entered into a Continuing Disclosure Agreement with respect to the 2000B Bonds, the Insurer shall be included as a party to be notified.

(i) As long as the Bond Insurance Policy shall be in full force and effect, the Authority and the Trustee agree to comply with the following provisions:

(1) At least one (1) day prior to all Interest Payment Dates the Trustee will determine whether there will be sufficient funds in the funds and accounts to pay the principal of or interest on the 2000B Bonds on such Interest Payment Date (notwithstanding any provisions to the contrary in the Indenture). If the Trustee determines that there will be insufficient funds in such funds and accounts, the Trustee shall so notify the Insurer. Such notice shall specify the amount of the anticipated deficiency, the 2000B Bonds to which such deficiency is applicable and whether such 2000B Bonds will be deficient as to principal or interest, or both. If the Trustee has not so notified the Insurer at least one (1) day prior to an Interest Payment Date, the Insurer will make payments of principal or interest due on the 2000B Bonds on or before the first (1st) day next following the date on which the Insurer shall have received notice of nonpayment from the Trustee.

(2) The Bond Registrar shall, after giving notice to the Insurer as provided in (1) above, make available to the Insurer and, at the Insurer's direction, to the United States Trust Company of New York, as insurance trustee for the Insurer or any successor insurance trustee (the "Insurance Trustee"), the registration books of the Authority maintained by the Bond Registrar and all records relating to the funds and accounts maintained under the Agreement.

(3) The Bond Registrar shall provide the Insurer and the Insurance Trustee with a list of registered owners of 2000B Bonds entitled to receive principal or interest payments from the Insurer under the terms of the Bond Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of 2000B Bonds entitled to receive full or partial interest payments from the Insurer and (ii) to pay principal upon 2000B Bonds surrendered to the Insurance Trustee by the registered owners of 2000B Bonds entitled to receive full or partial principal payments from the Insurer.

(4) The Bond Registrar shall, at the time it provides notice to the Insurer pursuant to (1) above, notify registered owners of 2000B Bonds entitled to receive the payment of principal or interest thereon from the Insurer (i) as to the fact of such entitlement, (ii) that the Insurer will remit to them all or a part of the interest payments next coming due upon proof of bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from the Insurer, they must surrender their 2000B Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such 2000B Bonds to be registered in the name of the Insurer) for payment to the Insurance Trustee, and not the Bond Registrar and (iv) that should they be entitled to receive partial payment of principal from the Insurer, they must surrender their 2000B Bonds for payment thereon first to the Bond Registrar who shall note on such 2000B Bonds the portion of the principal paid by the Bond Registrar, if any, and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(5) In the event that the Bond Registrar has notice that any payment of principal or interest on an Insured 2000B Bond which has become Due for Payment and which is made to a bondholder by or on behalf of the Authority has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Bond Registrar shall, at the time the Insurer is notified pursuant to (1) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from the Insurer to the extent of such recovery if sufficient funds are not otherwise available, and the Bond Registrar shall furnish to the Insurer its records evidencing the payments of principal and interest on the 2000B Bonds which have been made by the Bond Registrar and

subsequently recovered from registered owners and the dates on which such payments were made.

(6) In addition to those rights granted the Insurer under this Supplemental Agreement, the Insurer shall, to the extent it makes payment of principal of or interest on 2000B Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Bond Registrar shall note the Insurer's rights as subrogee on the registration books of the Authority maintained by the Bond Registrar upon receipt from the Insurer of proof of the payment of interest thereon to the registered owners of the 2000B Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Bond Registrar shall note the Insurer's rights as subrogee on the registration books of the Authority maintained by the Bond Registrar upon surrender of the 2000B Bonds by the registered owners thereof together with proof of the payment of principal thereof.

(j) Any provision of this Supplemental Agreement expressly recognizing or granting rights in or to the Insurer may not be amended in any manner which affects the rights of the Insurer hereunder without the prior written consent of the Insurer.

(k) Unless otherwise provided in this Section 3.1, the Insurer's consent shall be required, but only to the extent such actions would require the consent of any or all of the bondholders of the 2000B Bonds, for the following purposes: (i) execution and delivery of any Supplemental Agreement (other than with respect to the issuance of additional bonds) or any amendment, supplement or change to or modification of the Agreement; (ii) removal of the Trustee, Paying Agent or Bond Registrar and selection and appointment of any successor trustee, paying agent or bond registrar; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires bondholder consent.

(l) Anything in the Agreement to the contrary notwithstanding, upon the occurrence and continuance of any default relating to the 2000B Bonds or this Supplemental Agreement, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the bondholders of the 2000B Bonds or the Trustee for the benefit of such bondholders under the Agreement, including, without limitation: (i) the right to accelerate the principal of the 2000B Bonds as described in the Agreement, and (ii) the right to annul any declaration of acceleration, and the Insurer shall also be entitled to approve all waivers of events of default.

(m) Any reorganization or liquidation plan with respect to the Authority must be acceptable to the Insurer. In the event of any reorganization or liquidation, the Insurer shall have the right to vote on behalf of all bondholders who hold 2000B Bonds absent a default by the Insurer under the Bond Insurance Policy.

(n) The Insurer shall receive a copy of any notice to be given to the registered owners of the 2000B Bonds, including, without limitation, notification of any

redemption of or the defeasance of 2000B Bonds, and any certificate rendered pursuant to the Agreement relating to the security for the 2000B Bonds.

(o) To the extent that this Supplemental Agreement confers upon or gives or grants to the Insurer any right, remedy or claim under or by reason of this Supplemental Agreement, the Insurer is hereby explicitly recognized as being a third party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

(p) Nothing in this Supplemental Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Authority, the Trustee, the Paying Agent, the Bond Registrar, the Insurer and the registered owners of the 2000B Bonds, any right, remedy or claim under or by reason of this Supplemental Agreement or any covenant, condition or stipulation hereof and all covenants, stipulations, promises and agreements in this Supplemental Agreement contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee, the Paying Agent, the Bond Registrar, the Insurer and the registered owners of the 2000B Bonds.

(q) The Insurer shall receive prior written notice of any Trustee (or Paying Agent or Bond Registrar) resignation.

(r) Notwithstanding any other provision of the Agreement, in determining whether the rights of the bondholders will be adversely affected by any action taken pursuant to the terms and provisions of the Agreement, the Trustee shall consider the effect on the bondholders as if there were no Bond Insurance Policy.

ARTICLE VII

THE REMARKETING AGENT

SECTION 7.1. Appointment of Remarketing Agent.

The Authority shall appoint the Remarketing Agent for the 2000B Bonds, subject to the conditions set forth in Section 7.2 hereof. The Remarketing Agent shall designate in writing to the Trustee its Principal Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Authority and the Trustee under which the Remarketing Agent will agree, particularly:

(a) to hold all 2000B Bonds delivered to it by the Trustee for delivery to the registered owners of such Bonds;

(b) to hold all monies representing the purchase price of 2000B Bonds for the benefit of the Person or entity entitled to receive the payment of such purchase price;

(c) to determine the Daily Rate, the Weekly Rate, the Term Rate and the Fixed Rate in accordance with Sections 2.3 and 2.4 of this Supplemental Agreement, and to give notice to the Trustee and the Bank of the Daily Rate and the Weekly Rate, and to the Trustee, the Authority and the Bank of the Term Rate and the Fixed Rate, on the date of the determination thereof; and

(d) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Authority, the Trustee and the Bank at all reasonable times.

In addition, the Remarketing Agent will enter into the Remarketing Agreement with the Authority in form and substance mutually satisfactory to them. The Remarketing Agent shall be entitled to advice of legal counsel on any matter relating to the Remarketing Agent's obligations hereunder and shall be entitled to act upon the opinion of such counsel in the exercise of reasonable care in fulfilling such obligations.

SECTION 7.2. Qualifications of Remarketing Agent.

The Remarketing Agent shall be a national banking association or a bank or trust company or a member of the National Association of Securities Dealers, Inc., authorized by law to perform all the duties imposed upon it by this Supplemental Agreement. The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Supplemental Agreement by giving at least 45 days' prior written notice by registered or certified mail to the Trustee, the Authority, the Bond Insurer and the Bank, which resignation shall become effective upon the appointment of a successor Remarketing Agent. The Remarketing Agreement will resign at any time at the request of the Authority.

In the event of the resignation or removal of the Remarketing Agent, the Authority, with the consent of the Bank, shall appoint a successor Remarketing Agent meeting the qualifications set forth in this Section 7.2 and the Remarketing Agent shall pay over, assign and deliver any monies and 2000B Bonds held by it in such capacity to its successor or, if there be no successor, to the Trustee as hereinafter provided no such resignations or removal shall become effective until the appointment of the successor Remarketing Agent.

SECTION 7.3. Compensation and Expenses of Remarketing Agent.

The Authority is obligated to pay directly reasonable compensation to and the reasonable expenses of the Remarketing Agent. The terms of such obligation may be set forth in the Remarketing Agreement.

SECTION 7.4. Notices to Remarketing Agent.

Any notice to the Remarketing Agent shall be given in the same manner as prescribed in Section 1303 of the Initial Agreement and addressed to Prudential Securities Incorporated, One New York Plaza, 14th Floor, New York, New York 10292.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.1. Multiple Counterparts.

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

SECTION 8.2. Headings etc. Not Part of Agreement.

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

SECTION 8.3. Controlling Laws.

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

SECTION 8.4. Concerning the Insurer.

(a) The Insurer may be replaced by the Authority with a substitute Insurer, but only if the claims paying ability of the Insurer is rated below "Aa" or "AA" by the Rating Services, and provided, that the Trustee shall have received a notice from the Rating Services confirming that the rating on the 2000B Bonds will not be lowered or withdrawn (other than a withdrawal of a short term rating upon a change to the Term Mode) as a result of the action proposed to be taken; provided further, however, that such substitution shall be approved by the Bank while the Standby Bond Purchase Agreement is in effect and the Bank is not in default thereunder.

(b) The Bond Insurance Policy may not be amended, modified or terminated without the consent of the Bank while the Standby Bond Purchase Agreement is in effect and the Bank is not in default thereunder.

(c) In the event the Bank is downgraded by any of the Rating Services below the two highest short-term rating categories, the Insurer may request the Authority to replace the Bank and to provide an Alternate Liquidity Facility and the Authority shall use its best efforts to do so.

(d) No Substitute Bond Insurance Policy shall become effective without receipt by the Authority, the Bank, the Trustee and the Paying Agent of an opinion of Bond

Counsel that such substitution will not adversely affect the exclusion from gross income of the interest on the 2000B Bonds for federal income tax purposes and the written consent of the Bank (acting in its sole discretion).

SECTION 8.5. Concerning the Bank.

The Bank shall be a third-party beneficiary of the Agreement.

SECTION 8.6. Reference to Bank.

Notwithstanding any provisions contained herein to the contrary, after the expiration or termination of the Standby Bond Purchase Agreement and after all obligations owed to the Bank pursuant to the Standby Bond Purchase Agreement have been paid in full or discharged, and all Bank Bonds have been paid in full, all references to the Bank contained herein shall be null and void and of no further force and effect.

SECTION 8.7. Subordinate Obligations.

(a) The Authority's obligation to the Bank under the Standby Bond Purchase Agreement to pay interest on Bank Bonds above the Maximum Rate shall constitute a Subordinate Obligation (the "Standby Bond Purchase Agreement Subordinate Obligation") and shall not comprise a portion of the Interest Requirement. The Standby Bond Purchase Agreement Subordinate Obligation shall be secured by and payable from amounts in the Subordinate Obligations Fund, which pledge of and payment from the Subordinate Obligations Fund shall be subordinate and junior in all respects to the pledge and lien created under the Agreement as security for bonds, including, but not limited to, the 2000B Bonds. The Standby Bond Purchase Agreement Subordinate Obligation shall be payable at the times and in the amounts as provided in the Standby Bond Purchase Agreement.

(b) (1) In the event of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganizations or their similar proceedings in connection therewith, relative to the Authority or to its creditors, as such, or to its property, and in the event of any proceedings for voluntary liquidation, dissolution or other winding up of the Authority, whether or not involving insolvency or bankruptcy, the owners of all bonds then outstanding shall be entitled to receive payment in full of all principal and interest due on all such bonds in accordance with the provisions of the Agreement before the holder of the Subordinate Obligations are entitled to receive any payment from the funds pledged to the bonds on account of principal (and premium, if any) or interest upon the Subordinate Obligations.

(2) In the event that any issue of Subordinate Obligations is declared due and payable before its expressed maturity because of the occurrence of an event of default (under circumstances when the provisions of (b)(1) above shall not be applicable), the owners of all bonds outstanding at the time such Subordinate Obligations become due and payable because of the occurrence of such an event of default shall be entitled to receive payment in

full of all principal and interest on all such bonds then due and payable before the holders of the Subordinate Obligations are entitled to receive any accelerated payment from the Revenues and other moneys pledged to the bonds under the Agreement of principal (and premium, if any) or interest upon the Subordinate Obligations.

(3) If any Event of Default with respect to the bonds shall have occurred and be continuing (under circumstances when the provisions of (b)(1) above shall not be applicable), the owners of all bonds then outstanding shall be entitled to receive payment in full of all principal and interest on all such bonds as the same become due and payable before the holders of the Subordinate Obligations are entitled to receive, subject to the provisions of (b)(5) below, any payment from the funds pledged to the bonds under the Agreement of principal (and premium, if any) or interest upon the Subordinate Obligations.

(4) No owner of a bond shall be prejudiced in his right to enforce subordination of the Subordinate Obligations by any act or failure to act on the part of the Authority.

(5) The provisions of (b)(1), (2), (3) and (4) above are solely for the purpose of defining the relative rights of the owners of the bonds on the one hand, and the holders of Subordinate Obligations on the other hand, and nothing herein shall impair, as between the Authority and the holders of the Subordinate Obligations, the obligation of the Authority, which is unconditional and absolute, to pay to the holders thereof the principal thereof and premium, if any, and interest thereon in accordance with their terms, nor shall anything herein prevent the holders of the Subordinate Obligations from exercising all remedies otherwise permitted by applicable law or thereunder upon default thereunder, subject to the rights under (b)(1), (2), (3) and (4) above of the owners of bonds to receive cash, property or securities from the funds pledged to the bonds under the Agreement otherwise payable or deliverable to the holders of the Subordinate Obligations; the foregoing provisions shall not prevent the application by a trustee or paying agent of any moneys deposited with such trustee or paying agent for the purpose of the payment of or on account of the principal (and premium, if any) and interest on such Subordinate Obligations if such trustee or paying agent did not have knowledge at the time of such application that such payment was prohibited by the foregoing provisions.

(c) So long as either (i) the Authority has any outstanding obligations under the Standby Bond Purchase Agreement and the Bank Bonds, including the Standby Bond Purchase Agreement Subordination Obligation and the Bank is not in default thereunder or (ii) the Bond Insurance Policy is in effect and the Insurer is not in default thereunder, the Authority covenants that any Subordinate Obligations issued by it after the date hereof shall be junior, as to right of payment, to the Standby Bond Purchase Agreement Subordinate Obligation.

SECTION 8.8. Notices to Rating Services.

The Trustee shall provide written notice to the Rating Services, at the address specified below, of the following:

- (a) the termination, expiration, substitution or extension of the Standby Bond Purchase Agreement or the Bond Insurance Policy;
- (b) the acceleration, redemption or defeasance of the 2000B Bonds;
- (c) the conversion of the 2000B Bonds to a Fixed Rate;
- (d) the conversion of the 2000B Bonds to a Term Rate Period during which the Standby Bond Purchase Agreement is not in effect;
- (e) any amendment to the Agreement or the Standby Bond Purchase Agreement; and
- (f) the appointment of any successor Trustee or Remarketing Agent.

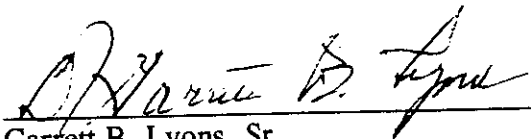
Standard & Poor's Ratings Services
Municipal Structured Surveillance
55 Water Street, 38th Floor
New York, NY 10041

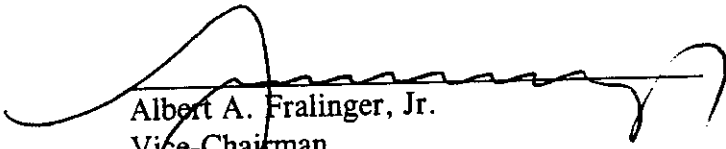
Moody's Investors Service
99 Church Street
New York, NY 10007
Attention: Fully Supported Group

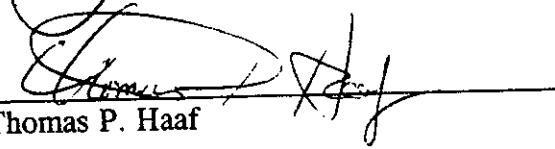
The Trustee shall not be liable to the Rating Services for a failure to give any notice required above, or for the failure of any Rating Service to receive any such notice.

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

THE DELAWARE RIVER AND BAY AUTHORITY

By: 
Garrett B. Lyons, Sr.
Chairman


Albert A. Fralinger, Jr.
Vice-Chairman


Thomas P. Haaf
Secretary

[Seal]

10th This Supplemental Trust Agreement is hereby acknowledged and approved this day of August, 2000.


Chairman, Finance Committee

WILMINGTON TRUST COMPANY,
Trustee

By: _____

Vice President

Attest:

Assistant Secretary

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

THE DELAWARE RIVER AND BAY AUTHORITY

By: _____
Garrett B. Lyons, Sr.
Chairman

Albert A. Fralinger, Jr.
Vice-Chairman

Thomas P. Haaf
Secretary

[Seal]

This Supplemental Trust Agreement is hereby acknowledged and approved this _____ day of August, 2000.

Chairman, Finance Committee

WILMINGTON TRUST COMPANY,
Trustee

By: _____

Vice President


Attest:

David C. Roubston


Assistant Secretary

Approved as to legality and form:

MORRIS, NICHOLS, ARSHT & TUNNELL


By O. FRANCIS BIONDI, ESQ.
Counsel for the Authority

CAFIERO & BALLIETTE AND BALLIETTE, P.A.

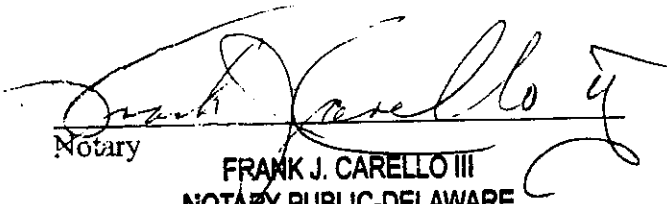

BY WILLIAM M. BALLIETTE, JR., ESQ.
Counsel for the Authority

STATE OF DELAWARE

SS.

COUNTY OF NEW CASTLE

The foregoing instrument was signed before me this 7th day of August 2000 by Garrett B. Lyons, Sr., Chairman of The Delaware River and Bay Authority; Albert A. Fralinger, Jr., Vice-Chairman of The Delaware River and Bay Authority; Thomas P. Haaf, Secretary of The Delaware River and Bay Authority; and John A. Kugler, Chairman of the Finance Committee of The Delaware River and Bay Authority.



Notary

FRANK J. CARELLO III
NOTARY PUBLIC-DELAWARE

[Seal]

My Commission Expires Feb. 27, 2002

STATE OF DELAWARE)

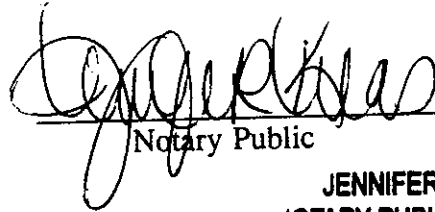
)

ss.:

NEW CASTLE COUNTY)

The foregoing Supplemental Agreement was acknowledged before me, a notary public within and for said County and State, on the 10th day of August, 2000, by David Vanaskey, who is a Vice President of WILMINGTON TRUST COMPANY and who acknowledged that the name of said bank and trust company was subscribed to the foregoing Supplemental Agreement by himself as Vice President thereof by the direction and authority of said trust company and that the seal impressed thereon is the seal of said trust company.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year aforesaid.



Notary Public

JENNIFER R. KULAS
NOTARY PUBLIC-DELAWARE
My Commission Expires May 14, 2001

My commission expires _____

(Seal)

APPENDIX A

NO. BR-

\$ _____

United States of America

THE DELAWARE RIVER AND BAY AUTHORITY
VARIABLE RATE REVENUE BOND, SERIES 2000B

Maturity Date
January 1

Dated Date
August 10, 2000

CUSIP No.

Registered Owner: CEDE & CO.

Principal Amount: _____ Dollars

The Delaware River and Bay Authority (herein sometimes called the "Authority"); a body politic and an agency of government of the State of Delaware and the State of New Jersey, for value received, hereby promises to pay, but solely from the funds provided therefor as hereinafter set forth and in the manner hereinafter provided, to the registered owner hereof named above, or registered assigns on the Maturity Date set forth above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the principal corporate trust office of Wilmington Trust Company in the City of Wilmington, Delaware (the "Bond Registrar"), in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, the Principal Amount set forth above, and to pay interest on such Principal Amount from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for or from the Dated Date set forth above if no interest has been paid at the rates determined as provided herein until said Principal Amount is paid, commencing on the first Interest Payment Date after the Date of Authentication hereof, solely from such sources. The interest so payable and punctually paid or duly provided for on any Interest Payment Date will, as provided in the Agreement hereinafter referred to, be paid by wire transfer or by check mailed to the person in whose name this bond (or one or more predecessor bonds, as defined in the Agreement hereinafter mentioned) is registered at the close of business on the regular record date for such interest, which shall be (i) while this bond bears interest at a Daily Rate or Weekly Rate, the close of business on the Business Day preceding an Interest Payment Date and (ii) while this bond bears interest at a Term Rate or Fixed Rate or Rates, both as described below, the close of business on the fifteenth day of the calendar month next preceding an Interest Payment Date (the "Regular Record Date"). Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such regular record date, and may be paid to the person in whose name this bond (or any predecessor bond) is registered at the close of business on a special record date for the payment of such defaulted

interest to be fixed by the Trustee hereinafter referred to, notice whereof being given by the Trustee by mail to the registered owners not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the bonds of this series may be listed and upon such notice as may be required by such exchange, or as more fully provided in the Agreement. Such payment of interest shall be by check mailed to the registered owner at such owner's address as it appears on the bond registration books of the Authority maintained by the Bond Registrar and shall be made in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts.

So long as this bond bears interest at a Daily Rate or a Weekly Rate as specified above, this bond shall be purchased on demand of the registered owner hereof as hereinafter described.

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

This bond is one of a duly authorized series of revenue bonds of the Authority in an aggregate principal amount of Thirty Million Dollars (\$30,000,000), designated as "Delaware River and Bay Authority Variable Rate Revenue Bonds, Series 2000B" (the "bonds"), dated the date of issuance thereof, consisting of bonds maturing on the 1st day of January, 2030 (herein called the "term bonds"), for the purpose of providing funds for the costs of various capital projects undertaken or to be undertaken in the fiscal years ending December 31, 1999, 2000, 2001, 2002 and 2003 and identified in the Authority's Five-Year Capital Improvement Program. Said capital projects relate to the improvement, rehabilitation and expansion of the twin spans of the Delaware Memorial Bridge and the Cape May-Lewes ferry system and related facilities and appurtenances (the "Project").

All of the bonds are issued under and pursuant to a Trust Agreement, dated as of the 1st day of October, 1993, by and between the Authority and Wilmington Trust Company, in the City of Wilmington, Delaware, as trustee (said Wilmington Trust Company and any bank or trust company becoming successor trustee under the Agreement being herein called the "trustee") as supplemented by Supplemental Trust Agreement Number 1, dated as of the 1st day of October, 1993, Supplemental Trust Agreement Number 2, dated as of the 1st day of

August, 1996, Supplemental Trust Agreement Number 3, dated as of the 1st day of June, 2000 and Supplemental Trust Agreement Number 4, dated as of the 1st day of August, 2000 by and between the Authority and the Trustee (said agreements, together with all agreements supplemental thereto as therein permitted, being herein called the "Agreement"), an executed counterpart of which Agreement is on file at the principal office of the Trustee. Reference is hereby made to the Agreement for the provisions, among others, with respect to the custody and application of the proceeds of bonds issued under the Agreement, the collection and disposition of revenues, the funds charged with and pledged to the payment of the interest on and the principal, and premium, if any, of the bonds, the nature and extent of the security, the terms and conditions on which the bonds of each series are or may be issued, the rights, duties and obligations of the Authority and of the Trustee, Paying Agent, Depositaries and the Bond Registrar for the Series 2000B Bonds and the rights of the registered holders of the bonds, and, by the acceptance of this bond, the registered holder hereof assents to all of the provisions of the Agreement. Capitalized terms used herein but not defined shall have the meaning ascribed to them in the Agreement.

Under the Agreement, the Authority issued (i) on October 27, 1993 its Revenue Bonds, Series 1993, in the aggregate principal amount of \$123,755,000, (ii) on August 21, 1996 its Revenue Bonds, Series 1996, in the aggregate principal amount of \$67,065,000 and (iii) on June 22, 2000 its Revenue Bonds, Series 2000A, in the aggregate principal amount of \$98,755,000, which are payable from the Debt Service Fund (hereinafter mentioned) on a parity with the bonds and any additional series of bonds issued, from time to time, under the conditions, limitations and restrictions set forth in the Agreement, for the purpose of (a) paying all or any part of the cost of or completing payment of the cost of (i) any structure or facility adapted for public use in crossing the Delaware River or the Delaware Bay between the State of Delaware and the State of New Jersey, whether by bridge, tunnel, ferry or other device, and by any vehicle or means of transportation of persons and property, including all approaches and connecting and service routes and appurtenances and equipment relating thereto, or any addition or improvement to, capital program associated with, or any enlargement or replacement of, any part of the Project, the Authority's existing Delaware Memorial Bridge, its Cape May-Lewes ferry system, or any additional crossing (collectively, the Authority's "Crossing Facilities"), or any other structure, facility or other enterprise that may be included in, or permitted by, the definition of the term "Crossing" contained in the Compact (defined in the paragraph below) from time to time or (ii) any Additional Facilities (as defined in the Agreement) for the purpose of preventing a loss of Net Revenues (as defined in the Agreement) derived from such Crossing Facilities, provided that such loss of Net Revenues would be the result of an emergency or some unusual or extraordinary occurrence and that the proceeds of such additional series of bonds would not be used for such purpose to the extent that insurance proceeds relating to such an occurrence were then available, and (b) refunding bonds issued under the provisions of the Agreement and other indebtedness of the Authority. In addition, the Agreement provides for the issuance of parity indebtedness as well as subordinate obligations.

This bond is issued and the Agreement was made and entered into under and pursuant to the Constitution and laws of the State of Delaware, particularly Chapters 145 and 146, Volume 53, Laws of Delaware, approved by the Governor of the State of Delaware July 21, 1961 and Chapter 252, Volume 67, Laws of Delaware, approved by the Governor of Delaware June 28, 1990, and the Constitution and laws of the State of New Jersey, particularly Chapter 66 of the Pamphlet Laws of 1961 of the State of New Jersey, approved by the Governor of the State of New Jersey June 3, 1951 and Chapter 192 of the Pamphlet Laws of 1989 of the State of New Jersey, approved by the Governor of the State of New Jersey October 18, 1989, and a compact contained in said Delaware and New Jersey laws and consented to by a Joint Resolution of the Congress of the United States of America, approved September 20, 1962, as amended and consented to by a Joint Resolution of the Congress of the United States of America, approved November 15, 1990 as the same may be further amended from time to time (collectively referred to herein as the "Compact"), and under and pursuant to resolutions duly adopted by the Authority.

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

The bonds are issuable as registered bonds without coupons in denominations of \$100,000 or any integral multiple thereof. At the principal office of the Bond Registrar, in the manner and subject to the limitations and conditions provided in the Agreement, bonds may be exchanged for an equal aggregate principal amount of bonds of the same series and maturity, of authorized denominations and bearing interest at the same rate.

The transfer of this bond is registrable by the registered owner hereof in person or by his attorney or legal representative at the principal corporate trust office of the Bond Registrar but only in the manner and subject to the limitations and conditions provided in the Agreement and upon surrender and cancellation of this bond. Upon any such registration of transfer the Authority shall execute and the Bond Registrar shall authenticate and deliver in exchange for this bond a new bond or bonds registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this bond, of the same series and maturity and bearing interest at the same rate. While the bonds are in a Term Mode or Fixed Rate, neither the Authority nor the Bond Registrar shall be required to make any exchange or to register the transfer of any bond during the fifteen (15) days

immediately preceding the date of the Authority's giving notice of redemption or after such bond has been selected for redemption.

The Authority has caused to be issued and delivered to the Trustee by Dexia Public Finance Bank, acting by and through its New York Agency, a standby bond purchase agreement pursuant to which the Trustee is authorized, subject to the terms and conditions thereof, to draw up to the amounts required to pay the portion of the purchase price of the bonds tendered to it and not remarketed corresponding to the principal amount of such bonds, and to pay accrued interest to the purchase date. The Standby Bond Purchase Agreement expires August 9, 2010, unless terminated earlier pursuant to its terms or extended. Subject to the provisions of the Agreement, the Authority may, but is not required to, cause the Standby Bond Purchase Agreement to be extended or replaced with an Alternate Liquidity Facility.

INTEREST ON BONDS

General. This bond shall bear interest at a Daily Rate, a Weekly Rate, a Term Rate or a Fixed Rate, as specified above and described below. The bonds shall initially bear interest at a Weekly Rate, subject to conversion to a Daily Rate, a Term Rate or a Fixed Rate, as described herein. A "Daily Rate" is an interest rate for a Daily Rate Period determined and adjusted daily as described below and in the Agreement. A "Weekly Rate" is an interest rate for a Weekly Rate Period determined and adjusted weekly as described below and in the Agreement. A "Term Rate" is an interest rate for a Term Rate Period determined as described below and in the Agreement. A "Fixed Rate" is an interest rate for a Fixed Rate Period determined as described below and in the Agreement. The bonds are in a "Daily Mode" if they bear interest at a Daily Rate, a "Weekly Mode" if they bear interest at a Weekly Rate, a "Term Mode" if they bear interest at a Term Rate and a Fixed Rate if they bear interest at a Fixed Rate. The Daily Mode, Weekly Mode, Fixed Rate and each Term Mode are each a "Rate Mode". All computations of interest at a Daily Rate or Weekly Rate shall be based on a year of 365 or 366 days, as appropriate; and all computations of interest at a Term Rate or Fixed Rate shall be based on a 360-day year of twelve 30-day months. As used in this bond, the term "Interest Payment Date" means (i) with respect to Daily Rate interest and Weekly Rate interest, the first day of each month commencing September 1, 2000 (unless such day is not a Business Day, then on the next Business Day), and (ii) with respect to Term or Fixed Rate interest, each July 1 and January 1.

Daily Rate. A Daily Rate shall be determined for each Daily Rate Period as described below. On each Daily Rate Calculation Date, the Remarketing Agent under the Agreement (the "Remarketing Agent"), initially Prudential Securities Incorporated, shall determine the Daily Rate (for the Daily Rate Period commencing that day) as the rate which if borne by the bonds would, in the judgment of the Remarketing Agent, be the lowest interest rate necessary to enable the Remarketing Agent to arrange for the sale of all of the outstanding bonds at a price equal to the principal amount thereof plus accrued interest thereon. Anything herein to the contrary notwithstanding, in no event shall any Daily Rate exceed 12% per annum. As used in this bond, "Daily Rate Calculation Date" means no later than 9:30 a.m.

Eastern Time, on the Business Day which is the commencement date of the Daily Rate Period to which it relates, and "Daily Rate Period" means the period commencing on a Business Day and extending to, but not including, the next succeeding Business Day.

If for any reason the Remarketing Agent does not determine a Daily Rate for any one Daily Rate Period as aforesaid, the Daily Rate for that Daily Rate Period shall be equal to the Daily Rate in effect for the immediately preceding Daily Rate Period.

The determination of the Daily Rate by the Remarketing Agent shall be conclusive and binding upon the Authority, the Trustee, the Remarketing Agent, the Bank, the Insurer and the registered owners and beneficial owners.

Weekly Rate. A Weekly Rate shall be determined for each Weekly Rate Period as described below. On each Weekly Rate Calculation Date, the Remarketing Agent shall determine the Weekly Rate (for the Weekly Rate Period commencing on the next Thursday) as the rate which if borne by the bonds would, in the judgment of the Remarketing Agent, be the lowest interest rate necessary to enable the Remarketing Agent to arrange for the sale of all of the outstanding bonds at a price equal to the principal amount thereof plus accrued interest thereon. Anything herein to the contrary notwithstanding, in no event shall any Weekly Rate exceed 12% per annum. As used in this bond, "Weekly Rate Calculation Date" means Wednesday in each calendar week or, if any Wednesday is not a Business Day, the first Business Day preceding such Wednesday, and "Weekly Rate Period" means the seven-day period commencing on the first Thursday following the corresponding Weekly Rate Calculation Date and running through Wednesday of the following calendar week, except that (i) the first Weekly Rate Period shall commence on the Issue Date and end on the first Wednesday occurring on or after the Issue Date, (ii) the first Weekly Rate Period following a conversion from a Daily Mode or Term Mode to the Weekly Mode shall commence on the Conversion Date for such conversion and end on and include the first Wednesday occurring after such date, and (iii) the last Weekly Rate Period prior to a conversion from the Weekly Mode to a Daily Mode or Term Mode or to the Fixed Rate shall end on and include the last day immediately preceding the Conversion Date for such conversion.

If for any reason the Remarketing Agent does not determine a Weekly Rate for any one Weekly Rate Period as aforesaid, the Weekly Rate for that Weekly Rate Period shall be equal to the Weekly Rate in effect for the immediately preceding Weekly Rate Period.

The determination of the Weekly Rate by the Remarketing Agent shall be conclusive and binding upon the Authority, the Trustee, the Remarketing Agent, the Bank, the Insurer and the registered owners and beneficial owners.

Term Rate. A Term Rate shall be determined for each Term Rate Period as described below. Upon conversion to a Term Mode, a Nominal Term Rate Period shall be fixed by the Authority as a term of two or more consecutive Semiannual Periods constituting the nominal length of each Term Rate Period thereafter until the date of a conversion to

another Rate Mode. A Term Mode based on one Nominal Term Rate Period and a Term Mode based on another Nominal Term Rate Period are different Rate Modes. Each Term Rate shall be determined by the Remarketing Agent, on the Term Rate Calculation Date, as the lowest rate of interest that, in the judgment of the Remarketing Agent, would be necessary to enable the Remarketing Agent to arrange for the sale of the bonds in the applicable Term Mode in a secondary market sale at a price equal to the principal amount thereof plus accrued interest on the first Business Day of the respective Term Rate Period; provided that if the Remarketing Agent fails for any reason to determine the Term Rate for any Term Rate Period, such Term Rate shall be determined by the Trustee to be equal to 80% of the average of the annual bond equivalent yield evaluations at par as of the first day of the corresponding Term Rate Period or, if such day is not a Business Day, the next preceding Business Day of United States Treasury obligations having a term to maturity similar to such Term Rate Period. Anything herein to the contrary notwithstanding, in no event shall any Term Rate exceed 12% per annum. Determinations of Term Rates shall be conclusive and binding upon the Authority, the Trustee, the Remarketing Agent, the Bank, the Insurer and the registered owners and beneficial owners.

Fixed Rate. A Fixed Rate shall be determined by the Remarketing Agent, as the lowest rate of interest that, in the judgment of the Remarketing Agent, would be necessary to enable the Remarketing Agent to arrange for the sale of the bonds in a secondary market sale at a price equal to the principal amount thereof, plus accrued interest, on the first Business Day of the Fixed Rate Period. Determination of the Fixed Rate shall be conclusive and binding upon the Authority, the Trustee, the Bank, the Remarketing Agent, the Insurer and the registered owners and beneficial owners.

In the event that the Remarketing Agent for any reason fails to determine the Fixed Rate prior to the Conversion Date, or Bond Counsel is unable to deliver the opinion of Bond Counsel required by the Agreement on the Conversion Date, the conversion to the Fixed Rate shall not take effect and the bonds shall not be subject to mandatory tender as provided in the Agreement. The Trustee shall promptly notify each registered owner by first-class mail of the cancelled conversion and tender.

Conversion. The Agreement provides that the Authority shall have the option to convert the bonds from one Rate Mode to another Rate Mode on any Conversion Date the Authority shall select provided that each Conversion Date shall be an Interest Payment Date. The Authority may exercise its option to convert the bonds to a Fixed Rate only one time. The Authority may exercise such option by giving written notice to the Trustee, the Remarketing Agent and the Bank, stating its election to convert the Rate Mode of the bonds to another Rate Mode specified in such notice and stating the Conversion Date therefor, not less than 45 days prior to such Conversion Date. In connection with each conversion to a Term Mode, the Nominal Term Rate Period shall be selected by the Authority and designated in such notice. Notice of the exercise of an option to convert from one Rate Mode to another Rate Mode shall not be effective unless certain conditions set forth in the Agreement are satisfied with respect to such conversion. In the case of a conversion from one Rate Mode to another Rate Mode,

the Trustee shall give notice by first class mail to the registered owners of the bonds not less than 30 days prior to the proposed Conversion Date stating (i) that, in the case of a conversion to a Term Mode, the interest rate on the bonds is scheduled to be converted to a Term Rate and the Nominal Term Rate Period on which such Term Rate will be based, or in the case of a conversion to a Daily Mode or Weekly Mode, the interest rate on the bonds is scheduled to be converted to a Daily Rate or Weekly Rate, or in the case of a conversion to a Fixed Rate, the interest rate on the bonds is scheduled to be converted to a Fixed Rate, (ii) the proposed Conversion Date, (iii) that the Authority may determine not to convert the bonds not later than 10 days prior to the Conversion Date in which case the Trustee shall notify the registered owners in writing to such effect, (iv) in the case of a conversion to the Term Mode, whether the Standby Bond Purchase Agreement will remain in effect, (v) in the case of the employment of an Alternate Liquidity Facility, the name of the provider and its current ratings by the Rating Services, (vi) that in the case of a conversion to the Fixed Rate, the Standby Bond Purchase Agreement will no longer remain in effect, and (vii) that all outstanding bonds will be subject to a mandatory purchase on the Conversion Date, or if such Conversion Date is not a Business Day, the first Business Day immediately following such Conversion Date, at a price of par plus accrued interest, if any. Upon each conversion the bonds shall be subject to mandatory purchase on the Conversion Date, or if such Conversion Date is not a Business Day, the first Business Day immediately following such Conversion Date. As used in this bond, "Conversion Date" means any Interest Payment Date on which the Rate Mode of the bonds is converted to another Rate Mode.

OPTIONAL AND MANDATORY TENDER

Optional Tender for Purchase in Daily Mode and Weekly Mode. While the Series 2000B Bonds bear interest at a Daily Rate or Weekly Rate, any Series 2000B Bond shall be purchased on the demand of the registered owner thereof on any Business Day designated by such registered owner in a Bondholder Tender Notice (hereinafter defined) at a purchase price equal to 100% of the principal amount thereof plus, in the case of purchases on a Purchase Date which is not an Interest Payment Date, accrued interest, if any, to the date of purchase, if there is delivered to the Trustee at its principal office, and to the Remarketing Agent at its Principal Office, by 10:00 a.m. Eastern Time in the case of 2000B Bonds in the Daily Mode (any notice given after 10:00 a.m. Eastern Time shall be deemed given on the next succeeding Business Day) a written notice (the "Bondholder Tender Notice") which (i) states the principal amount (or portion thereof) of such Bond and (ii) states the date on which such Bond (or portion thereof) shall be purchased, which date in the case of 2000B Bonds in the Daily Mode, shall be the day the Bondholder Tender Notice is provided or deemed provided, and in the case of 2000B Bonds in the Weekly Mode shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to the Trustee and the Remarketing Agent, and (iii) contains a representation that the undersigned is the beneficial owner of the Series 2000B Bond tendered. By delivering the Bondholder Tender Notice, the registered owner irrevocably agrees to deliver such Bond, if held in certificated form, duly endorsed for transfer in blank and with guarantee of signature satisfactory to the Trustee, to the principal office of the Trustee or any other address designated by the Trustee at

or prior to 12:00 noon Eastern Time on the Purchase Date specified in the Bondholder Tender Notice. The determination by the Trustee of a registered owner's compliance with such Bondholder Tender Notice and the Series 2000B Bonds delivery requirements is in the sole discretion of the Trustee and binding on the Authority, the Remarketing Agent, the Bank and the registered owner and beneficial owner. Any Bondholder Tender Notice which the Trustee determines is not in compliance with the provisions of this paragraph shall be of no force or effect.

So long as the 2000B Bonds are registered to, and held in book-entry form by, DTC or its nominee, the beneficial owner of 2000B Bonds is responsible for submitting the Bondholder Tender Notice and shall be treated as the registered owner of such 2000B Bonds for such purpose.

Any election by a registered owner to tender a Series 2000B Bond (or portion thereof) for purchase on a Business Day shall be irrevocable and shall be binding on the registered owner making such election and on any transferee of such registered owner. Each Bondholder Tender Notice shall automatically constitute (i) an irrevocable offer to sell the Series 2000B Bond (or portion thereof) to which such notice relates on the purchase date at a price equal to the purchase price of such Bond (or portion thereof) described above, (ii) an irrevocable authorization and instruction to the Trustee to effect transfer of such Bond (or portion thereof) upon payment of the purchase price to the Trustee on the purchase date, (iii) with respect to a tender of a portion of a Series 2000B Bond, an irrevocable authorization and instruction to the Trustee to effect the exchange of such Bond in part for other Series 2000B Bonds in a principal amount equal to the retained portion so as to facilitate the sale of the tendered portion of such Bond, and (iv) an acknowledgment that such registered owner will have no further rights with respect to such Bond (or portion thereof) upon payment of the purchase price thereof to the Trustee on the purchase date, except for the right of such registered owner to receive such purchase price upon surrender of such Bond, if held in certificated form, to the Trustee endorsed for transfer in blank and with guarantee of signature satisfactory to the Trustee and that after the purchase date such registered owner will hold such Bond as agent for the Trustee. If the Series 2000B Bonds are not held in book-entry form and, after delivery to the Trustee and the Remarketing Agent of such Bondholder Tender Notice, such Bond or Bonds described in the Bondholder Tender Notice become Undelivered Bonds, such Undelivered Bonds (or portion thereof) shall on the applicable purchase date cease to bear interest and no longer shall be considered to be outstanding under the Agreement.

Mandatory Tender. This Series 2000B Bond is subject to mandatory tender for purchase, at a price equal to the principal amount hereof plus, in the case of purchases on a Purchase Date which is not an Interest Payment Date, accrued interest, (a) on each Conversion Date, or if such Conversion Date is not a Business Day, the first Business Day succeeding such Conversion Date, and the first Business Day immediately following the end of each Term Rate Period; (b) on the date which is five (5) Business Days prior to the date on which an Alternate Credit Facility is to be provided in lieu of the Standby Bond Purchase Agreement; (c) in the event the Standby Bond Purchase Agreement is to expire on the Expiration Date, on the date

which is five (5) Business Days prior to the Expiration Date; (d) on the date which is five (5) Business Days prior to the date on which a Substitute Bond Insurance Policy is to be substituted for the existing Bond Insurance Policy; or (e) in the event of a Notice Expiration Event under the Standby Bond Purchase Agreement, on a date which is a Business Day and is within twenty-five (25) days of receipt by the Trustee of a Notice of Expiration. Any Series 2000B Bond which becomes an Undelivered Bond shall cease to accrue interest on the applicable purchase date and, thereafter, the registered owner of such Undelivered Bond shall not be entitled to any payment other than the purchase price for such Undelivered Bond upon surrender thereof to the Trustee endorsed for transfer in blank and with guaranty of signature satisfactory to the Trustee. Except for payment of such purchase price from monies held by the Trustee for such purpose, such Undelivered Bond shall no longer be outstanding and entitled to the benefits of the Agreement.

BY ACCEPTANCE OF THIS SERIES 2000B BOND, THE REGISTERED OWNER HEREOF AGREES THAT THIS BOND WILL BE PURCHASED, WHETHER OR NOT SURRENDERED, ON ANY DATE SPECIFIED BY THE REGISTERED OWNER HEREOF IN THE EXERCISE OF THE OPTIONAL TENDER FOR PURCHASE DESCRIBED ABOVE AND ON THE PURCHASE DATE IN CONNECTION WITH ANY MANDATORY TENDER FOR PURCHASE. IN SUCH EVENT, THE REGISTERED OWNER OF THIS SERIES 2000B BOND SHALL NOT BE ENTITLED TO RECEIVE FURTHER INTEREST HEREON, SHALL HAVE NO FURTHER RIGHTS UNDER THIS SERIES 2000B BOND OR THE AGREEMENT EXCEPT FOR PAYMENT OF THE PURCHASE PRICE HELD THEREFOR, AND, IF THIS SERIES 2000B BOND IS NOT SURRENDERED ON SUCH DATE, SHALL THEREAFTER HOLD THIS SERIES 2000B BOND AS AGENT FOR THE TRUSTEE.

OPTIONAL REDEMPTIONS

Daily Rate Bonds and Weekly Rate Bonds. While the Series 2000B Bonds bear interest at a Daily Rate or a Weekly Rate, the Series 2000B Bonds are subject to redemption prior to maturity at the option of the Authority (upon satisfaction of the conditions set forth in the Agreement), in whole or in part as provided in the Agreement, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

Term Rate and Fixed Rate Bonds. While the Series 2000B Bonds bear interest at a Term Rate or the Fixed Rate, the Series 2000B Bonds shall be subject to optional redemption prior to maturity at the option of the Authority, in whole or in part as provided in the Agreement; provided that the Series 2000B Bonds shall not be redeemable during the No Call Period set forth in or stipulated pursuant to the Agreement. After such No Call Period, the Series 2000B Bonds shall be redeemable at the redemption price set forth in or stipulated pursuant to the Agreement, plus accrued interest to the redemption date.

MANDATORY REDEMPTIONS

Amortization Requirements. The Series 2000B Bonds constituting term bonds (other than Bank Bonds) shall be subject to redemption prior to maturity at a redemption price equal to the principal amount thereof, plus interest accrued to the date fixed for redemption as follows:

\$30,000,000
Term Bonds due January 1, 2030

<u>Principal Payment Date</u> <u>(January 1)</u>	<u>Amortization</u> <u>Requirement</u>
2029	\$12,300,000
2030*	17,700,000

*Unamortized principal at stated maturity.

The Series 2000B Bonds which are Bank Bonds shall be subject to mandatory sinking fund redemption on the dates and in the amounts determined as set forth in the Agreement.

If less than all of the Series 2000B Bonds of a maturity shall be called for redemption, the particular Series 2000B Bonds or portions of registered Series 2000B Bonds to be redeemed shall be selected by lot or by such other method as the Trustee deems fair and appropriate as provided in the Agreement; provided that any Series 2000B Bonds pledged to the Bank shall be redeemed first and so long as no Event of Default has occurred and is continuing, any Series 2000B Bonds owned by the Authority shall be redeemed second.

At least 15 days (30 days if the Series 2000B Bonds are in a Term Mode or bear interest at the Fixed Rate) but no more than 60 days before the redemption date of any Series 2000B Bonds, a notice of any such redemption will be mailed, first class, postage prepaid, to all registered owners of Series 2000B Bonds to be redeemed as a whole or in part and to the Bank while the Standby Bond Purchase Agreement is in effect, but any defect in such notice or the failure so to mail any such notice to the registered owner of any bond shall not affect the validity of the proceedings for the redemption of any other bonds. Each such notice will set forth the bonds or portions thereof to be redeemed, the date fixed for redemption, the Redemption Price to be paid, and if less than all the bonds will be called for redemption, the maturities of the bonds to be redeemed and shall otherwise comply with Securities Exchange Act of 1934 Release No. 34-23856, dated December 3, 1986, including the requirement that notice be given to all organizations registered with the Securities and Exchange Commission as securities depositories, and to at least two information services of national recognition which disseminate redemption information with respect to tax-exempt securities. On the date fixed for redemption, notice having been mailed in the manner provided in the Agreement, the Series

2000B Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If a portion of this bond shall be called for redemption, a new Series 2000B Bond or Bonds in principal amount equal to the unredeemed portion hereof, of the same maturity and bearing interest at the same rate will be issued to the registered owner upon the surrender hereof.

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

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

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

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

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

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

Vice-Chairman of The Delaware
River and Bay Authority

Chairman of The Delaware
River and Bay Authority

Secretary of The Delaware
River and Bay Authority

(To be endorsed on all bonds)

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds of the series designated therein and issued under the provisions of the within mentioned Agreement.

WILMINGTON TRUST COMPANY,
As Bond Registrar

By _____
Authorized Officer

STATEMENT OF INSURANCE

Municipal Bond Insurance Policy No. 17463BE (the "Policy") with respect to payments due for principal of and interest on this bond has been issued by Ambac Assurance Corporation ("Ambac Assurance"). The Policy has been delivered to the United States Trust Company of New York, New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from Ambac Assurance or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this bond acknowledges and consents to the subrogation rights of Ambac Assurance as more fully set forth in the Policy.