

THE DELAWARE RIVER AND BAY AUTHORITY
TO

WILMINGTON TRUST COMPANY

AS TRUSTEE

SUPPLEMENTAL TRUST AGREEMENT
NUMBER 6

Dated as of September 1, 2004

This Supplemental Trust Agreement Number 6 (this "Supplemental Agreement), dated for convenience of reference as of the 1st day of September, 2004, 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: (i) defeasing 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) financing the costs of certain Additional Facilities; and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 2, dated as of August 1, 1996, for the purpose of providing for the issuance of and securing its \$67,065,000 Revenue Bonds, Series 1996 (the "1996 Bonds"), and from the proceeds thereof financing the costs of certain Additional Facilities; and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 3 dated as of June 1, 2000 and Supplemental Trust Agreement Number 4 dated as of August 1, 2000, for the purpose of providing for the issuance of and securing its \$98,755,000 Revenue Bonds, Series 2000A and \$30,000,000 Revenue Bonds, Series 2000B (collectively, the "2000 Bonds") and from the proceeds thereof financing the costs of certain Additional Facilities; and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 5, dated as of January 1, 2003, for the purpose of providing for the issuance of and securing its

\$76,300,000 Revenue Bonds, Series 2003 (the "2003 Bonds") and from the proceeds thereof financing the costs of certain Additional Facilities; and

WHEREAS, this Supplemental Agreement is being entered into by the Authority and the Trustee pursuant to the provisions of Section 210 of the Initial Agreement in order to provide for the issuance of the sixth series of bonds pursuant to the Initial Agreement in order to provide funds, together with other available moneys, for refunding prior to their maturities, including the payment of the redemption premium thereon, the following described bonds:

<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Redemption Date</u>	<u>Remption Price</u>	<u>Original CUSIP Numbers</u>
<i>1993 Bonds</i>				
\$ 2,310,000	2006	October 13, 2004	102%	246307BK7
2,420,000	2007	October 13, 2004	102	246307BL5
2,535,000	2008	October 13, 2004	102	246307BM3
2,660,000	2009	October 13, 2004	102	246307BN1
2,785,000	2010	October 13, 2004	102	246307BR2
23,805,000	2017	October 13, 2004	102	246307BV3
<i>1996 Bonds</i>				
\$1,725,000	2008	January 1, 2006	102%	246307CL4
1,815,000	2009	January 1, 2006	102	246307CM2
1,905,000	2010	January 1, 2006	102	246307CN0
2,000,000	2011	January 1, 2006	102	246307CP5
2,110,000	2012	January 1, 2006	102	246307CQ3
2,220,000	2013	January 1, 2006	102	246307CR1
2,340,000	2014	January 1, 2006	102	246307CS9
2,465,000	2015	January 1, 2006	102	246307CT7
2,595,000	2016	January 1, 2006	102	246307CU4

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, in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created and by the Initial Agreement, and also for and in consideration of the sum of One Dollar to the Trustee in hand paid by the Authority at or before the execution and delivery of this Supplemental Agreement, the receipt of which is hereby acknowledged, it is mutually agreed and covenanted by and between the parties hereto, as follows:

ARTICLE I.

DEFINITIONS.

Section 1.01. **Meaning of Words and Terms.** In addition to words and terms defined in the Initial 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:

Ambac. The term "Ambac" shall mean Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance company.

Bond Purchase Agreement. The term "Bond Purchase Agreement" shall mean the Bond Purchase Agreement, dated August 25, 2004, by and between the Authority and Citigroup Global Markets Inc., as underwriter of the 2004 Bonds.

Escrow Agent. The term "Escrow Agent" shall mean the duty assigned to Wilmington Trust Company under the Escrow Deposit Agreement.

Escrow Deposit Agreement. The term "Escrow Deposit Agreement" shall mean the Escrow Deposit Agreement, dated as of September 1, 2004, by and between the Authority and the Escrow Agent.

Financial Guaranty Insurance Policy. The term "Financial Guaranty Insurance Policy" shall mean the financial guaranty insurance policy issued by Ambac insuring the payment when due of the principal of and interest on the 2004 Bonds as provided therein.

Moody's. The term "Moody's" shall mean Moody's Investors Service, and its legal successors.

S&P. The term "S&P" shall mean Standard & Poor's Rating Services, a Division of The McGraw-Hill Companies, Inc. and its legal successors.

ARTICLE II.

THE 2004 BONDS

Section 2.01. Authorization of Revenue Bonds of the Authority.

(a) **Authorization of 2004 Bonds.** Pursuant to Section 210 of the Initial 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 in the aggregate initial principal amount of Fifty-three Million Six Hundred Seventy Thousand Dollars (\$53,670,000) designated "Revenue Bonds, Refunding Series 2004" (the "2004 Bonds"), for the purpose of providing funds, together with other available funds, to refund the Refunded Bonds.

(b) **Certain Details of 2004 Bonds.** The 2004 Bonds shall be dated their date of delivery, shall consist of serial bonds maturing on January 1 in each of the years 2006 through 2017, inclusive. The 2004 Bonds of each maturity shall be issued in the principal amounts and bear interest, payable semi-annually on each January 1 and July 1, commencing January 1, 2005, at the rates per annum (based upon a 360-day year of twelve 30 day months) as set forth below:

<u>Maturity (January 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2006	\$2,280,000	2.50%
2007	2,340,000	2.75
2008	4,110,000	5.00
2009	4,315,000	5.00
2010	4,530,000	5.00
2011	4,755,000	5.00
2012	4,995,000	5.00
2013	5,250,000	5.00
2014	5,510,000	5.00
2015	5,785,000	5.00
2016	6,070,000	5.00
2017	3,730,000	5.00

(c) **Redemption.** The 2004 Bonds shall not be subject to redemption prior to their stated maturity dates.

(d) **Form of 2004 Bonds.** The definitive 2004 Bonds issued under the provisions of this Supplemental Agreement shall be in substantially the form set forth in Appendix A. The 2004 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 R-__ followed by the number of the 2004 Bonds.

Section 2.02. **Authorization of Bonds.** Upon their execution in the form and manner set forth in the Initial Agreement and this Supplemental Agreement, the 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 Initial Agreement and this Supplemental Agreement, by the proper parties thereto, the Trustee shall cause the Bond Registrar to deliver the Bonds for the account of Citigroup Global Markets Inc. at The Depository Trust Company, New York, New York, against payment therefor in accordance with and subject to the provisions of Section 210 of the Agreement.

Section 2.03. **Application of Bond Proceeds.** The proceeds of the 2004 Bonds shall be applied in accordance with the provisions of Section 209 of the Initial 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 2004 Bonds;

(2) an amount which, together with the interest that shall accrue on the Defeasance Obligations acquired pursuant to this paragraph (2), shall be sufficient to pay the principal and redemption premium of and the interest on the Refunded Bonds shall be deposited by the Trustee to the credit of a special escrow fund, appropriately designated, to be held in escrow by the Escrow Agent, to be used to purchase the Defeasance Obligations identified in the Escrow Deposit Agreement, for the sole and exclusive purpose of paying such principal, redemption premium and interest;

(3) the amount, if any, required to make the amount then to the credit of the Debt Service Reserve Fund equal to the Debt Service Reserve Fund Requirement; and

(4) any balance of such proceeds shall be deposited to the credit of the 2004 Costs of Issuance Account, from which the Authority shall pay the costs of issuing the 2004 Bonds, including the premium payment of \$358,674.40 to be wired by Citigroup Global Markets Inc. to Ambac on behalf of the Authority's account in connection with the issuance of the Financial Guaranty Insurance Policy.

ARTICLE III.

REGARDING AMBAC

Section 3.01. **Additional Provisions.** The following provisions are incorporated in this Supplemental Agreement and shall apply to the 2004 Bonds:

(a) Any provision of this Supplemental Agreement expressly recognizing or granting rights in or to Ambac may not be amended in any manner which affects the rights of Ambac hereunder without the prior written consent of Ambac. Ambac reserves the right to charge the Authority a fee for any consent or amendment to the Supplemental Agreement while the Financial Guaranty Insurance Policy is outstanding.

(b) Unless otherwise provided in this Section, Ambac's consent shall be required in lieu of Bondholder consent, when required, for the following purposes: (i) execution and delivery of any supplemental agreement or any amendment, supplement or change to or modification of the Initial Agreement, (ii) removal of the Trustee or Paying Agent and selection and appointment of any successor trustee or paying agent; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires Bondholder consent.

(c) Any reorganization or liquidation plan with respect to the Authority must be acceptable to Ambac. In the event of any reorganization or liquidation, Ambac shall have the right to vote on behalf of all holders who hold Ambac-insured Bonds absent a default by Ambac under the applicable Financial Guaranty Insurance Policy insuring such Bonds.

(d) Anything in this Supplemental Agreement to the contrary notwithstanding, upon the occurrence and continuance of an event of default under the Initial Agreement, Ambac shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the 2004 Bonds or the Trustee for the benefit of the holders of the 2004 Bonds under the Initial Agreement and this Supplemental Agreement, including, without limitation: (i) the right to accelerate the principal of the 2004 Bonds, and (ii) the right to annul any declaration of acceleration, and Ambac shall also be entitled to approve all waivers of events of default.

(e) Upon the occurrence of an event of default, the Trustee may, with the consent of Ambac, and shall, at the direction of Ambac or the holders of not less than a majority in aggregate principal amount of the 2004 Bonds, with the consent of Ambac, by written notice to the Authority and Ambac, declare the principal of the 2004 Bonds to be immediately due and payable, whereupon that portion of the principal of the 2004 Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Supplemental Agreement or in the 2004 Bonds to the contrary notwithstanding.

(f) While the Financial Guaranty Insurance Policy is in effect, the Authority shall furnish to Ambac, upon request, the following:

(i) a copy of any financial statement, audit and/or annual report of the Authority;

(ii) a copy of any notice to be given to the registered owners of the 2004 Bonds, including, without limitation, notice of any redemption of or defeasance of 2004 Bonds, and any certificate rendered pursuant to this Supplemental Agreement relating to the security for the 2004 Bonds; and

(iii) such additional information it may reasonably request,

Upon request, such information shall be delivered at the Authority's expense to the attention of the Surveillance Department, unless otherwise indicated. To the extent that the Authority has entered into a continuing disclosure agreement with respect to the 2004 Bonds, Ambac shall be included as party to be notified.

(g) The Trustee shall notify Ambac of any failure of the Authority to provide notices, certificates, and any other writing required to be given by the Authority to the Trustee under the Initial Agreement.

(h) Notwithstanding any other provision of this Supplemental Agreement, the Trustee shall immediately notify Ambac if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any event of default hereunder or under the Initial Agreement.

(i) The Trustee shall provide Ambac with a copy of any notice to be given to the registered owners of the 2004 Bonds, including, without limitation, notice of any redemption of or defeasance of 2004 Bonds, and any certificate rendered pursuant to this Supplemental Agreement or the Initial Agreement relating to the security for the 2004 Bonds.

(j) The Authority will permit Ambac to discuss the affairs, finances and accounts of the Authority or any information Ambac may reasonably request regarding the security for the 2004 Bonds with appropriate officers of the Authority. The Authority will permit Ambac to have access to and to make copies of all books and records relating to the 2004 Bonds at any reasonable time.

(k) In the case of the 2004 Bonds, Ambac will allow the following obligations to be used as Investment Obligations for all purposes, including defeasance investments in refunding escrow accounts (Ambac does not give a premium credit for the investment of accrued and/or capitalized interest):

(i) Cash (insured at all times by the Federal Deposit Insurance Corporation), and

(ii) Obligations of, or obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America, including U.S. treasury obligations, all direct or fully guaranteed obligations, obligations of the Farmers Home Administration, the General Services Administration and the Government National Mortgage Association (GNMA), guaranteed Title XI financing and State and Local Government Series.

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

(l) In the case of the 2004 Bonds, Ambac will allow the following obligations to be used as Investment Obligations for all purposes other than defeasance investments in refunding escrow accounts.

(i) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including the Export-Import Bank, the Rural Economic Community Development Administration, the U.S. Maritime Administration, the Small Business Administration, the U.S. Department of Housing & Urban Development (PHAs), the Federal Housing Administration and the Federal Financing Bank;

(ii) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America: senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC), obligations of the Resolution Funding Corporation (REFCORP), senior debt obligations of the Federal Home Loan Bank System and senior debt obligations of other Government Sponsored Agencies approved by Ambac;

(iii) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(iv) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P, and which matures not more than 270 calendar days after the date of purchase;

(v) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;

(vi) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the issuer thereof prior to maturity or as to which irrevocable instructions have been given by the issuer thereof to call on the date specified in the notice; and (A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or (B) (1) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph k(ii) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (2) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(vii) Municipal Obligations rated "Aaa/AAA" or general obligations of States with a rating of "A2/A" or higher by both Moody's and S&P;

(viii) Investment Agreements approved in writing by Ambac (supported by appropriate opinions of counsel); and

(ix) Other forms of investments (including repurchase agreements) approved in writing by Ambac.

(m) The value of the above investments shall be determined as follows:

(i) For the purpose of determining the amount in any fund, all Investment Obligations credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, Merrill Lynch, Salomon Smith Barney, Bear Stearns, or Lehman Brothers;

(ii) As to certificates of deposit and bankers' acceptances: the face amount thereof, plus accrued interest thereon; and

(iii) As to any investment not specified above: the value thereof established by prior agreement among the Authority, the Trustee and Ambac.

(n) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the 2004 Bonds shall be paid by Ambac pursuant to the Financial Guaranty Insurance Policy, the 2004 Bonds shall remain Outstanding for all purposes, not be 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 Ambac, and Ambac shall be subrogated to the rights of such registered owners.

(o) As long as the Financial Guaranty Insurance Policy shall be in full force and effect, the Authority, the Trustee and any Paying Agent agree to comply with the following provisions:

(i) At least one (1) business day prior to all Interest Payment Dates the Trustee or Paying Agent, if any, will determine whether there will be sufficient funds in the Funds and Accounts to pay the principal of or interest on the 2004 Bonds on such Interest Payment Date. If the Trustee or Paying Agent, if any, determines that there will be insufficient funds in such Funds or Accounts, the Trustee or Paying Agent, if any, shall so notify Ambac. Such notice shall specify the amount of the anticipated deficiency, the 2004 Bonds to which such deficiency is applicable and whether such 2004 Bonds will be deficient as to principal or interest, or both. If the Trustee or Paying Agent, if any, has not so notified Ambac at least one (1) business day prior to an Interest Payment Date, Ambac will make payments of principal or interest due on the 2004 Bonds on or before the first (1st) business day next following the date on which Ambac shall have received notice of nonpayment from the Trustee or Paying Agent, if any.

(ii) The Trustee or Paying Agent, if any, shall, after giving notice to Ambac as provided in (i) above, make available to Ambac and, at Ambac's direction, to The Bank of New York, in New York, New York, as insurance trustee for Ambac or any successor insurance trustee (the "Insurance Trustee"), the registration books of the Authority maintained by the Trustee or Paying Agent, if any, and all records relating to the Funds and Accounts maintained under this Supplemental Agreement.

(iii) The Trustee or Paying Agent, if any, shall provide Ambac and the Insurance Trustee with a list of registered owners of 2004 Bonds entitled to receive principal or interest payments from Ambac under the terms of the Financial Guaranty Insurance Policy, and shall make arrangements with the Insurance Trustee (A) to mail checks or drafts to the registered owners of 2004 Bonds entitled to receive full or partial interest payments

from Ambac and (B) to pay principal upon 2004 Bonds surrendered to the Insurance Trustee by the registered owners of 2004 Bonds entitled to receive full or partial principal payments from Ambac.

(iv) The Trustee or Paying Agent, if any, shall, at the time it provides notice to Ambac pursuant to (i) above, notify registered owners of 2004 Bonds entitled to receive the payment of principal or interest thereon from Ambac (A) as to the fact of such entitlement, (B) that Ambac will remit to them all or a part of the interest payments next coming due upon proof of holder 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, (C) that should they be entitled to receive full payment of principal from Ambac, they must surrender their 2004 Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such 2004 Bonds to be registered in the name of Ambac) for payment to the Insurance Trustee, and not the Trustee or Paying Agent, if any, and (D) that should they be entitled to receive partial payment of principal from Ambac, they must surrender their 2004 Bonds for payment thereon first to the Trustee or Paying Agent, if any, who shall note on such 2004 Bonds the portion of the principal paid by the Trustee or Paying Agent, 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.

(v) In the event that the Trustee or Paying Agent, if any, has notice that any payment of principal of or interest on a 2004 Bond which has become Due for Payment (as defined in the Financial Guaranty Insurance Policy) and which is made to a holder 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 Trustee or Paying Agent, if any, shall, at the time Ambac is notified pursuant to (i) 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 Ambac to the extent of such recovery if sufficient funds are not otherwise available, and the Trustee or Paying Agent, if any, shall furnish to Ambac its records evidencing the payments of principal of and interest on the 2004 Bonds which have been made by the Trustee or Paying Agent, if any, and subsequently recovered from registered owners and the dates on which such payments were made.

(vi) In addition to those rights granted Ambac under this Supplemental Agreement, Ambac shall, to the extent it makes payment of principal of or interest on 2004 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Financial Guaranty Insurance Policy, and to evidence such subrogation (A) in the case of subrogation as to claims for past due interest, the Trustee or Paying Agent, if any, shall note Ambac's rights as subrogee on the registration books of the Authority

maintained by the Trustee or Paying Agent, if any, upon receipt from Ambac of proof of the payment of interest thereon to the registered owners of the 2004 Bonds, and (B) in the case of subrogation as to claims for past due principal, the Trustee or Paying Agent, if any, shall note Ambac's rights as subrogee on the registration books of the Authority maintained by the Trustee or Paying Agent, if any, upon surrender of the 2004 Bonds by the registered owners thereof together with proof of the payment of principal thereof.

(p) The Trustee (or Paying Agent) may be removed at any time, at the request of Ambac, for any breach of the trusts set forth herein.

(q) Ambac shall receive prior written notice of any Trustee (or Paying Agent) resignation.

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

(s) Notwithstanding any other provision of this Supplemental Agreement, no removal, resignation or termination of the Trustee (or Paying Agent) shall take effect until a successor, acceptable to Ambac, shall be appointed.

(t) To the extent that this Supplemental Agreement confers upon or gives or grants to Ambac any right, remedy or claim under or by reason of this Supplemental Agreement, Ambac 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.

(u) Nothing in this Supplemental Agreement expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Authority, the Trustee, Ambac, the Paying Agent, if any, and the registered owners of the 2004 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, Ambac, the Paying Agent, if any, and the registered owners of the 2004 Bonds.

(v) The Statement of Insurance to be printed on each 2004 Bond shall be substantially in the following form:

“STATEMENT OF INSURANCE

Financial Guaranty Insurance Policy No. _____ (the “Policy”) with respect to payments due for principal of and interest on this bond has been issued by Ambac Corporation

("Ambac"). The Policy has been delivered to The Bank 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 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 as more fully set forth in the Policy."

ARTICLE IV.

MISCELLANEOUS

Section 4.01. **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 4.02. **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 4.03. **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.

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

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THE DELAWARE RIVER AND BAY AUTHORITY,

10

By: F. Michael Parkowski

11

F. Michael Parkowski

12

Chairman

13

Dr. Warren S. Wallace

14

Dr. Warren S. Wallace

15

Vice Chairman

16

Thomas A. Pankok

17

Thomas A. Pankok

18

Secretary

19 [Seal]

20

WILMINGTON TRUST COMPANY,

21

Trustee

22

By: _____

23

Christopher Slaybaugh

24

Financial Services Officer

25

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

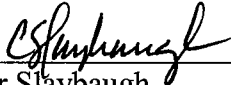
By: _____
F. Michael Parkowski
Chairman

Dr. Warren S. Wallace
Vice Chairman

Thomas A. Pankok
Secretary

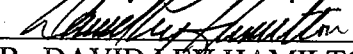
[Seal]

WILMINGTON TRUST COMPANY,
as Trustee


By: _____ 
Christopher Slaybaugh
Financial Services Officer

1 Approved as to legality and form:

2 **MORRIS, NICHOLS, ARSHT & TUNNELL**

3 
4 By DAVID LEY HAMILTON, ESQ.
5 Counsel for the Authority
6
7

8
9 **PARKER, MCCAY & CRISCUOLO, P.A.**

10 
11 By PHILIP A. NORCROSS, ESQ.
12 Counsel for the Authority
13

APPENDIX A

NO. R-

\$ _____

United States of America

THE DELAWARE RIVER AND BAY AUTHORITY

REVENUE BOND, REFUNDING SERIES 2004

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP No.</u>
_____ %	January 1, 20__	September __, 2004	246307__

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 Dated Date set forth above at the Interest Rate stated above per annum until said Principal Amount is paid, such interest to the maturity hereof being payable semi-annually on the 1st day of January and July in each year commencing January 1, 2005, solely from such sources, from the date hereof or the January 1, or July 1 next preceding the date on which this bond is authenticated, unless it is authenticated on January 1, or July 1, in which event from such date, at the Interest Rate set forth above. 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 the June 15 or December 15 next preceding such Interest Payment 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.

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 Fifty-three Million Six Hundred Seventy Thousand Dollars (\$53,670,000), designated as "The Delaware River and Bay Authority Revenue Bonds, Refunding Series 2004" (the "bonds"), dated as of the ____ day of September, 2004, consisting of bonds maturing in annual installments on the 1st day of January in the years 2006 to 2017, inclusive, for the purpose of providing funds for the purpose of refunding certain outstanding bonds of the Authority. The refunded bonds were issued to finance or refinance the cost of capital projects relating 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 Trust Agreement being herein called the trustee") as supplemented by Supplemental Trust Agreement Numbers 1, 2, 3, 4, and 5 and further supplemented by Supplemental Trust Agreement Number 6, dated as of September 1, 2004, 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, Depositories and the Bond Registrar for the 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.

Under the Agreement, the Authority has previously issued five series of its Revenue Bonds, 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 \$5,000 or any whole 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. 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 bonds of this series at the time outstanding may be not redeemed prior to their respective maturities.

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 facsimile 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, all as of the ____ day of September, 2004.

F. Michael Parkowski
Chairman of The Delaware
River and Bay Authority

Dr. Warren S. Wallace
Vice Chairman of The Delaware
River and Bay Authority

Thomas A. Pankok
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

Financial Guaranty Insurance Policy No. _____ (the "Policy") with respect to payments due for principal of and interest on this bond has been issued by Ambac Corporation ("Ambac"). The Policy has been delivered to The Bank 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 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 as more fully set forth in the Policy.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Please insert social security or
other identifying number of assignee

(Please Print or Typewrite Name and Address of Transferee)

the within bond, and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed* by: _____

*Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee which requirements will include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.