

THE DELAWARE RIVER AND BAY AUTHORITY

TO

WILMINGTON TRUST COMPANY

AS TRUSTEE

**SUPPLEMENTAL TRUST AGREEMENT
NUMBER 5**

Dated as of January 1, 2003

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This Supplemental Trust Agreement Number 5 (this "Supplemental Agreement"), dated for convenience of reference as of the 1st day of January, 2003, 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 validly 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 (the "Supplemental Trust Agreement Number 1"), for the purpose of providing for the issuance of and securing its \$123,755,000 aggregate principal amount Revenue Bonds, Series 1993 (the "1993 Bonds"), in order to provide for the cost of the refunding of certain prior bonds of the Authority, and for the cost 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 (the "Supplemental Trust Agreement Number 2"), in order to provide for the issuance of its \$67,065,000 aggregate principal amount 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 (the "Supplemental Trust Agreement Number 3"), in order to provide for the issuance of its \$98,755,000 aggregate principal amount 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, the Authority entered into Supplemental Trust Agreement Number 4, dated as of August 1, 2000 (the "Supplemental Trust Agreement Number 4"), in order to provide for the issuance of its \$30,000,000 aggregate principal amount Revenue Bonds, Series

2000B (the "2000B Bonds"), pursuant to the Initial Agreement in order to provide for the costs of certain Additional Facilities (as defined in Supplemental Trust Agreement Number 4); 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 fifth 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 (as defined in the Initial Agreement), the Compact (as defined in the Initial Agreement) 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 2003 Bonds (hereinafter defined) 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 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:

Additional Facilities. The term "Additional Facilities" shall mean the various capital projects undertaken or to be undertaken in the fiscal years ending December 31, 2002, 2003, 2004, 2005 and 2006 and identified in the Authority's current 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.

Bond Insurance Policy. The term "Bond Insurance Policy" shall mean, with respect to the 2003 Bonds, the municipal insurance policy issued by the Insurer insuring the payment when due of principal of and interest on the 2003 Bonds.

Bond Purchase Agreement. The term "Bond Purchase Agreement" shall mean the Bond Purchase Agreement, dated January 22, 2003, by and between the Authority and RBC Dain Rauscher Inc., as representative of the underwriters of the 2003 Bonds.

Insurer. The term "Insurer" shall mean, with respect to the 2003 Bonds, MBIA Insurance Corporation, a New York-domiciled stock insurance company, being the person undertaking to insure pursuant to the Bond Insurance Policy those certain maturities of the 2003 Bonds enumerated in the definition of Bond Insurance Policy contained in this Supplemental Agreement.

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

ARTICLE II

THE SERIES 2003 BONDS

SECTION 2.1. Authorization of Revenue Bonds of the Authority.

(a) Authorization of 2003 Bonds. Pursuant to clause (i) of Section 209 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 Seventy Six Million Three Hundred Thousand Dollars (\$76,300,000) designated "Revenue Bonds, Series 2003" (the "2003 Bonds"), for the purpose of providing funds, together with other available funds, to provide for a portion of the costs of the Additional Facilities.

(b) Certain Details of 2003 Bonds. The 2003 Bonds shall be dated January 1, 2003, shall consist of serial bonds maturing on January 1 in each of the years 2005 through 2022, inclusive, and term bonds maturing January 1, 2027 and January 1, 2033. The 2003 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 July 1, 2003, at the rates per annum (based upon a 360-day year of twelve 30 day months) as set forth below:

<u>Due January 1</u>	<u>Principal Amount</u>	<u>Coupon</u>	<u>Due January 1</u>	<u>Principal Amount</u>	<u>Coupon</u>
2005	\$1,385,000.00	2.25%	2015	1,950,000.00	5.25%
2006	1,415,000.00	2.50%	2016	2,050,000.00	5.25%
2007	1,450,000.00	2.50%	2017	2,160,000.00	5.25%
2008	1,490,000.00	3.00%	2018	2,270,000.00	5.25%
2009	1,535,000.00	3.25%	2019	2,390,000.00	5.25%

<u>Due January 1</u>	<u>Principal Amount</u>	<u>Coupon</u>	<u>Due January 1</u>	<u>Principal Amount</u>	<u>Coupon</u>
2010	1,585,000.00	3.50%	2020	2,515,000.00	5.25%
2011	1,640,000.00	3.75%	2021	2,650,000.00	5.25%
2012	1,700,000.00	4.00%	2022	2,790,000.00	5.25%
2013	1,770,000.00	5.00%	2027	16,220,000.00	5.00%
2014	1,855,000.00	5.00%	2033	25,480,000.00	5.00%

(c) Amortization Requirements. The Amortization Requirements for the 2003 Bonds, referred to and defined and subject to adjustment as provided in Section 101 of the Initial Agreement, shall be the following amounts on January 1 of the following years for the following term bonds:

Term Bonds due January 1, 2027 and January 1, 2033

<u>Due January 1</u>	<u>Amortization Requirements</u>	<u>Due January 1</u>	<u>Amortization Requirements</u>
2023	\$2,935,000	2029	\$3,935,000
2024	\$3,080,000	2030	\$4,130,000
2025	\$3,235,000	2031	\$4,335,000
2026	\$3,400,000	2032	\$4,555,000
2027*	\$3,570,000	2033*	\$4,780,000
2028	\$3,745,000		

* 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 2003 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 2003 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. Each such 2003 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 2003 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 2003 Term Bonds with such maturity date to be redeemed by mandatory sinking fund redemption will be reduced accordingly.

(d) Optional Redemption. The 2003 Bonds may not be called for redemption at the option of the Authority prior to January 1, 2013.

On and after January 1, 2013, the 2003 Bonds maturing on and after January 1, 2014 may be called for redemption prior to maturity at the option of the Authority, from any moneys that may be made available for such purpose, other than moneys set aside in respect of an Interest Requirement, Principal Requirement or Amortization Requirement for other bonds, in whole or in part at any time, from such maturity or maturities as the Authority may direct and within a maturity by lot, at a redemption price equal to 100% of the principal amount of 2003 Bonds, or portions thereof, to be redeemed, plus interest accrued to the date fixed for redemption.

(e) Form of 2003 Bonds. The definitive 2003 Bonds issued under the provisions of this Supplemental Agreement shall be in substantially the form set forth in Appendix A hereto. The 2003 Bonds shall be issued in registered form without coupons in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), with certificates which shall be numbered R-1 through R-20, inclusive.

SECTION 2.2. Authorization of 2003 Bonds.

Upon their execution in the form and manner set forth in the Initial Agreement and this Supplemental Agreement, the 2003 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 2003 Bonds for the account of RBC Dain Rauscher Incorporated, as representative of the underwriters, at DTC, New York, New York (or its custodian or agent under the FAST program), against payment therefor in accordance with and subject to the provisions of Section 209 of the Initial Agreement.

SECTION 2.3. Appointments.

Pursuant to Section 209 of the Initial 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 2003 Construction Account in the Construction Fund: Commerce Bank, N.A.;
 - (ii) Revenue Fund: Wilmington Trust Company;
 - (iii) Reserve Maintenance Fund: PNC Bank, N.A.; and
 - (iv) General Fund (including the Authority's self-insurance fund): Wilmington Trust Company; and

(c) as Insurer, MBIA Insurance Corporation.

SECTION 2.4. Application of Proceeds of 2003 Bonds.

The proceeds of the 2003 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 2003 Bonds in the amount of \$292,762.05;

(2) to the Trustee for deposit to the Debt Service Reserve Fund, a portion of the proceeds of the 2003 Bonds in the amount of \$3,633,155.76;

(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 \$821,000; and

(4) to Commerce Bank, N.A. for deposit to a special subaccount in the Construction Fund designated "Series 2003 Construction Account", the balance of the proceeds in the amount of \$73,758,423.39 of such 2003 Bonds.

ARTICLE III

REGARDING THE BOND INSURER

SECTION 3.1. Additional Provisions.

The following provisions are incorporated in this Supplemental Agreement and shall apply to the 2003 Bonds as long as the Bond Insurer is not in default under the Bond Insurance Policy:

(a) The Authority covenants that it will provide the Bond Insurer, Attn: Insured Portfolio Management, with all reports, financial statements, notices or other information in the same form and manner as it provides to the Trustee, Bond Registrar, Consulting Engineers, Paying Agent, the owners of the 2003 Bonds, or any other party pursuant to the terms of the Initial Agreement, including, but not limited to, the annual audited financial statements prepared pursuant to Section 709 of the Initial Agreement, the report of the Consulting Engineers submitted pursuant to Section 504 of the Initial Agreement, all distributions made in connection with the Annual Budget pursuant to Section 505 of the Initial Agreement and all notices relating to resignations, removals and appointments with respect to the Trustee, Bond Registrar and any Depositary made pursuant to Article IX of the Initial Agreement.

(b) Pursuant to Section 1105 of the Initial Agreement, and other than with respect to supplemental agreements entered into pursuant to Section 1101(e), Section 1101(h) or Section

1101(i) of the Initial Agreement, no supplemental agreement affecting the 2003 Bonds secured by the Bond Insurance Policy shall become effective unless and until the Bond Insurer shall have consented thereto in writing and notice of such consent shall have been given to the Rating Services.

The Bond Insurer shall be recognized as the registered owner of each 2003 Bond for the purposes of exercising all rights and privileges available to owners of the 2003 Bonds. For 2003 Bonds, the Bond Insurer shall have the right to institute any suit, action or proceeding at law or in equity under the same terms as an owner of a 2003 Bond in accordance with applicable provisions of the governing documents. Other than the usual redemption provisions, any acceleration of principal payments must be subject to the Bond Insurer's prior written consent.

(c) 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;
- (ii) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series - "SLGS");
- (iii) direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities,
- (iv) Resolution Funding Corp. (REFCORP): only the interest component of REFCORP strips which have been stripped by request of the Federal Reserve Bank of New York in book entry form are acceptable;
- (v) pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P. If, however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition;
- (vi) obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:
 - (a) U.S. Export-Import Bank (Eximbank);
Direct obligations or fully guaranteed certificates of beneficial ownership;
 - (b) Farmers Home Administration (FmHA);

Certificates of beneficial ownership;

(c) Federal Financing Bank;

(d) General Services Administration;

Participation certificates;

(e) U.S. Maritime Administration;

Guaranteed Title XI financing;

(f) U.S. Department of Housing and Urban Development (HUD);

Project Notes;

Local Authority Bonds;

New Communities Debentures – U.S. government guaranteed debentures;

U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds.

The Bond Insurer shall be provided with an opinion of counsel acceptable to the Bond Insurer that the 2003 Bonds have been legally defeased and that the escrow agreement establishing such defeasance operates to legally defease the 2003 Bonds within the meaning of the Initial Agreement and this Supplemental Agreement. In addition, the Bond Insurer will be entitled to receive (i) 15 business days' notice of any advance refunding of the 2003 Bonds and (ii) an accountant's report with respect to the sufficiency of the amounts deposited in escrow to defease the 2003 Bonds.

ARTICLE IV
MISCELLANEOUS

SECTION 4.1. 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 4.2. 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.

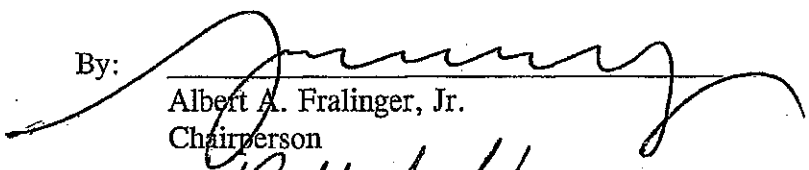
SECTION 4.3. Controlling Laws.

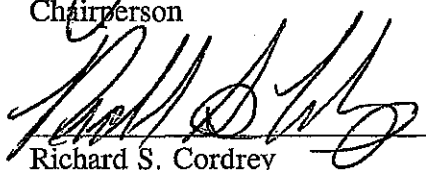
This Supplemental Agreement is made and entered into under and pursuant to the Constitution and Laws of the State of Delaware and of the State of New Jersey, particularly the Enabling Legislation and the Compact.

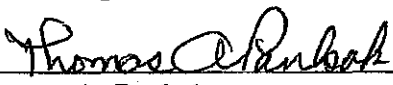
IN WITNESS WHEREOF, The Delaware River and Bay Authority, by its Board of Commissioners as the governing body thereof, has caused this Supplemental Agreement to be executed by the Chairperson, the Vice Chairperson and the Secretary of the Authority under the official and corporate seal of the Delaware 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.

DELAWARE RIVER AND BAY AUTHORITY

By:



Albert A. Fralinger, Jr.
Chairperson


Richard S. Cordrey
Vice Chairperson


Thomas A. Pankok
Secretary

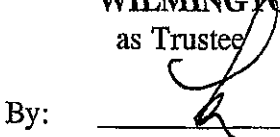
[Seal]

This Supplemental Trust Agreement is hereby acknowledged and approved this 30th day of January, 2003.


Richard H. Derrickson
Acting Chairperson, Finance Committee

WILMINGTON TRUST COMPANY,
as Trustee

By:

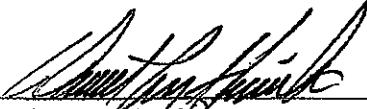

Asst. Vice President

Attest:


Assistant Secretary

Approved as to legality and form:

MORRIS, NICHOLS, ARSHT & TUNNELL



David Ley Hamilton, Esq.
Counsel for the Authority

PARKER, McCAY & CRISCUOLO, P.A.



John M. Devlin, Esq.
Counsel for the Authority

STATE OF DELAWARE)

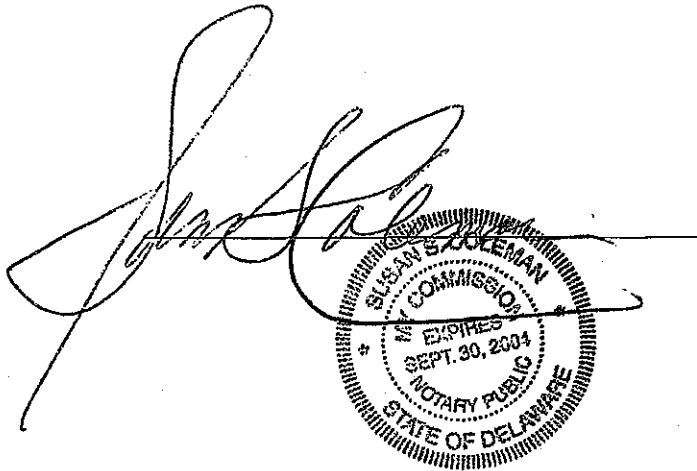
NEW CASTLE COUNTY)

SS.:

Signed before me, a person licensed to practice law in Delaware and as such enabled to perform notarial acts by 29 Del C §4323, on the 29 day of January, 2003, by

David Lefflaunt John M. Deulin _____ and

(Seal)


A circular notary seal for Susan S. Coleman, Notary Public, State of Delaware. The seal contains the text: "SUSAN S. COLEMAN", "MY COMMISSION", "EXPIRES SEPT. 30, 2004", "NOTARY PUBLIC", and "STATE OF DELAWARE". The seal is stamped over a handwritten signature.

STATE OF DELAWARE)
)
NEW CASTLE COUNTY) SS.:

The foregoing Supplemental Agreement was acknowledged before me, a notary public within and for said County and State, on the 29 day of January, 2003, by PATRICIA HEVANS, 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

My commission expires _____

(Seal)

