
FIRST SUPPLEMENTAL TRUST AGREEMENT

by and between

MARYLAND TRANSPORTATION AUTHORITY

and

MANUFACTURERS AND TRADERS TRUST COMPANY,

as Trustee

Dated as of April 1, 2012

**AMENDING AND SUPPLEMENTING THAT CERTAIN
TRUST AGREEMENT DATED AS OF DECEMBER 1, 2003**

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FIRST SUPPLEMENTAL TRUST AGREEMENT

THIS FIRST SUPPLEMENTAL TRUST AGREEMENT, dated as of April 1, 2012 (this “First Supplement”), and effective from the time of execution and delivery hereof between the parties, is by and between the **MARYLAND TRANSPORTATION AUTHORITY** (the “Authority”), an agency of the State of Maryland (the “State”), and **MANUFACTURERS AND TRADERS TRUST COMPANY**, a banking corporation duly organized and existing under the laws of the State of New York, as trustee (the “Trustee”).

RECITALS

The Authority is authorized pursuant to Title 4 of the Transportation Article of the Annotated Code of Maryland, as amended (the “Enabling Legislation”), to issue revenue bonds for the purpose of financing and refinancing all or any part of the costs of transportation facilities projects (as defined in the Enabling Legislation).

Pursuant to the Enabling Legislation and the Trust Agreement dated as of December 1, 2003 (the “Trust Agreement,” as defined herein), by and between the Authority and the Trustee, the Authority previously issued its Variable Rate Passenger Facility Charge Revenue Bonds, Baltimore/Washington International Airport Facility Projects, Series 2003A (Governmental Purpose Bonds) (the “Series 2003A Bonds”) and its Variable Rate Passenger Facility Charge Revenue Bonds, Baltimore/Washington International Airport Facility Projects, Series 2003B (Qualified Airport Bonds – AMT) (together with the Series 2003A Bonds, the “Series 2003 Bonds”). As of the date hereof, a portion of the Series 2003A Bonds remain outstanding.

The Authority has entered into a Lease of Airport Facilities Projects at the Baltimore/Washington International Thurgood Marshall Airport and Assignment of Passenger Facility Charges dated as of April 1, 2012 (the “2012A Lease and Assignment”) with the Maryland Aviation Administration (the “MAA”) pursuant to which the Authority has leased from the State through the MAA certain property located at the Baltimore/Washington International Thurgood Marshall Airport (“BWI Marshall Airport”) on which certain airport facilities projects are to be constructed (collectively, the “2012A Airport Facilities Projects,” as defined herein). Pursuant to an Agreement on Financing Airport Facilities Projects at Baltimore/Washington International Thurgood Marshall Airport dated as of April 1, 2012 (the “2012A Financing Agreement”) between the Authority and the MAA, the Authority has agreed to finance the design, construction and equipping of the 2012A Airport Facilities Projects for the MAA, and the MAA has agreed, among other things, to operate, secure and maintain the 2012A Airport Facilities Projects as the agent of the Authority.

Section 2.05 of the Trust Agreement provides that the Authority may from time to time issue Additional Bonds (as defined in the Trust Agreement) secured equally and ratably with the Series 2003 Bonds for the purpose of paying all or any part of the cost of any additional Airport Facilities Projects (as defined in the Trust Agreement). The Authority has determined to issue Additional Bonds (the “Series 2012A Bonds,” as defined herein) under the Trust Agreement for the purpose of providing funds, together with other available funds, to pay all or a portion of the costs of the 2012A Airport Facilities Projects.

The Series 2012A Bonds shall be limited obligations of the Authority payable solely from the Pledged Revenues (as defined in the Trust Agreement). None of the State, the Maryland Department of Transportation (the "Department"), the MAA, any political subdivision of the State, or the Authority shall be obligated to pay the Series 2012A Bonds or the interest thereon except from the Pledged Revenues and from other sources as provided herein, and neither the faith and credit nor the taxing power of the State, the Department, the MAA, any political subdivision of the State or the Authority is pledged to the payment of the Series 2012A Bonds or the interest thereon. The issuance of the Series 2012A Bonds shall not directly or indirectly or contingently obligate the State, the Department, the MAA or any political subdivision of the State to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. Neither the Authority nor the Department nor MAA has any taxing powers.

All things necessary to make the Series 2012A Bonds, when authenticated and issued in accordance with this First Supplement, the legal, valid and binding obligations of the Authority according to the import thereof have been done and performed, and the creation, execution and delivery of this First Supplement, and the creation, execution and issuance of the Series 2012A Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, WITNESSETH that in consideration of the foregoing, of the purchase and acceptance of the Series 2012A Bonds by the owners thereof and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority and the Trustee do hereby agree and covenant as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01. Definitions.

Terms used in this First Supplement and not defined herein shall have the respective meanings given such terms in the Trust Agreement. In addition to the terms defined elsewhere herein, as used in the Trust Agreement and this First Supplement, unless a different meaning is clearly indicated from the context, the following terms shall have the meanings indicated:

- (1) "**Authorized Denomination**" means \$5,000 and any integral multiple thereof.
- (2) "**Bond Year**" means prior to the date on which all of the Series 2003A Bonds shall have been paid or provision for the payment thereof shall have been made in accordance with the Trust Agreement, the period from and including July 2 of each calendar year through and including July 1 of the immediately succeeding calendar year, and thereafter, the period from and including June 2 of each year to but excluding June 1 of the immediately succeeding year.
- (3) "**Financing Agreement**" means the Agreement on Financing Airport Facilities Projects at Baltimore/Washington International Airport dated as of December 1, 2003 between the Authority and the MAA, the 2012A Financing Agreement and any other agreement between the Authority and the MAA pursuant to which any Additional Facilities shall be financed, as the same may be amended and supplemented from time to time.

(4) **“First Supplement”** means this First Supplemental Trust Agreement, as amended and supplemented from time to time.

(5) **“Interest Payment Date”** means, when used with respect to or in connection with the Series 2012A Bonds, June 1 and December 1 of each year.

(6) **“Lease and Assignment”** means the Lease of Airport Facilities Projects at the Baltimore/Washington International Airport and Assignment of Passenger Facilities Charges dated as of December 1, 2003, between the State and the MAA and the Authority, the 2012A Lease and Assignment and any other lease pursuant to which any Additional Facilities shall be leased to the Authority, as the same may be amended and supplemented from time to time.

(7) **“Series 2012A Bonds”** means the Authority’s Passenger Facility Charge Revenue Bonds, Series 2012A, Baltimore/Washington International Thurgood Marshall Airport (Qualified Airport Bonds – AMT).

(8) **“Trust Agreement”** means the Trust Agreement dated as of December 1, 2003 between the Authority and the Trustee, as amended and supplemented by this First Supplement, as the same may be further amended and supplemented from time to time.

(9) **“2012A Airport Facilities Projects”** means the acquisition, construction and improvement of the facilities described in Appendix B or such facilities, as the context shall require, as amended from time to time.

(10) **“2012A Bond Fund”** means the fund established pursuant to Section 4.01(b).

(11) **“2012A Construction Account”** means the Construction Account established pursuant to Section 4.01(a).

(12) **“2012A Debt Service Reserve Fund”** means the debt service reserve fund established pursuant to Section 4.01(c).

(13) **“2012A Debt Service Reserve Fund Requirement”** means when used with respect to or in connection with the Series 2012A Bonds or any other Series of Bonds secured by the 2012A Debt Service Reserve Fund, as of any particular date of computation, an amount equal to the least of (i) 10% of the proceeds of the Series of Bonds secured thereby, (ii) Maximum Annual Debt Service on all outstanding Bonds secured thereby, and (iii) 125% of the average annual debt service requirements of all Bonds secured thereby.

Section 1.02. Rules of Construction.

Unless the context clearly indicates to the contrary, the following rules apply to the construction of this First Supplement:

(a) The table of contents and the headings or captions used in this First Supplement are for convenience of reference and do not constitute a part of this First Supplement, or affect its meaning, construction or effect.

(b) Any reference in this First Supplement to a particular “Article,” “Section,” “Appendix” or other subdivision shall be to such Article, Section, Appendix or subdivision of this First Supplement unless the context shall otherwise require.

(c) The 2012A Airport Facilities Projects shall constitute “Additional Facilities” for all purposes of the Trust Agreement.

(d) In all other respects, the rules set forth in Section 1.02 of the Trust Agreement shall apply to this First Supplement unless the context shall otherwise require.

ARTICLE II

AUTHORIZATION AND DETAILS OF SERIES 2012A BONDS

Section 2.01. Series 2012A Bonds Authorized.

(a) The Authority is hereby authorized to issue a Series of Bonds in the aggregate principal amount of Fifty Million Nine Hundred Five Thousand Dollars (\$50,905,000) designated “Maryland Transportation Authority Passenger Facility Charge Revenue Bonds, Series 2012A, Baltimore/Washington International Thurgood Marshall Airport (Qualified Airport Bonds-AMT).”

(b) The Series 2012A Bonds are issued pursuant to Section 2.05 of the Trust Agreement and constitute Additional Bonds under the Trust Agreement, entitled to the benefit and security of the Trust Agreement and secured equally and ratably on parity with the outstanding Series 2003A Bonds, to the extent provided herein and in the Trust Agreement.

(c) The Series 2012A Bonds constitute Tax-Exempt Bonds under the Trust Agreement.

Section 2.02. Details of Series 2012A Bonds.

(a) The Series 2012A Bonds shall be issued as fully registered bonds without coupons, shall bear interest at the rate or rates of interest per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) set forth below and shall mature on June 1 of the years and in amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2013	\$1,795,000	4.000%	2023	\$2,440,000	5.000%
2014	1,835,000	4.000	2024	2,560,000	5.000
2015	1,870,000	4.000	2025	2,690,000	5.000
2016	1,905,000	5.000	2026	2,820,000	5.000
2017	1,965,000	5.000	2027	2,965,000	5.000
2018	2,025,000	5.000	2028	3,110,000	5.000
2019	2,085,000	5.000	2029	3,265,000	4.000
2020	2,165,000	5.000	2030	3,430,000	4.000
2021	2,255,000	5.000	2031	3,600,000	4.125
2022	2,345,000	5.000	2032	3,780,000	4.125

(b) The Series 2012A Bonds shall be substantially in the form set forth in Appendix A, with such insertions, omissions and variations as may be deemed necessary or appropriate by the officers of the Authority executing the same and as shall be permitted by the Enabling Legislation. The Authority hereby adopts the form of Series 2012A Bond set forth in Appendix A and all of the covenants and conditions set forth therein, as and for the form of obligation to be incurred by the Authority as the Series 2012A Bonds. The covenants and conditions set forth in the form of Series 2012A Bond are incorporated into the Trust Agreement by reference and shall be binding upon the Authority as though set forth in full herein.

(c) The Series 2012A Bonds shall be subject to redemption prior to maturity as provided in Section 3.01 and shall otherwise have the terms, tenor, denominations, details and specifications as set forth in the form of Series 2012A Bonds included in Appendix A.

(d) The printing of CUSIP numbers on the Series 2012A Bonds shall have no legal effect and shall not affect the enforceability of any Series 2012A Bond.

Section 2.03. Conditions Precedent to Delivery of Series 2012A Bonds.

The Series 2012A Bonds shall be executed by the Authority and delivered to the Trustee, whereupon the Trustee shall authenticate the Series 2012A Bonds and, upon payment of the purchase price of such Series 2012A Bonds, shall deliver the Series 2012A Bonds upon the Order of the Authority, but only upon receipt by the Trustee of each of the following:

- (a) the written consent of the MAA;
- (b) an executed counterpart of this First Supplement, duly executed by the Authority and the Trustee;
- (c) an Order of the Authority directing the authentication and delivery of the Series 2012A Bonds designating their purchaser, stating the purchase price of the Series 2012A Bonds, directing the application of the proceeds of the Series 2012A Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the Authority;
- (d) an Opinion of Bond Counsel to the effect that (i) this First Supplement has been duly authorized, executed and delivered by the Authority and, assuming the due authorization, execution and delivery thereof by the Trustee, constitutes the valid and binding obligation of the Authority; (ii) the Authority is duly authorized and entitled to issue the Series 2012A Bonds, and Series 2012A Bonds executed, authenticated and delivered as provided in the Trust Agreement have been duly and validly issued and constitute valid and binding limited obligations of the Authority; and (iii) the issuance of the Series 2012A Bonds will not adversely affect the excludability from gross income, for federal income tax purposes, of interest paid on any Tax-Exempt Bonds heretofore issued;
- (e) a Certificate of the Authority to the effect that, upon the authentication and delivery of the Series 2012A Bonds, no Event of Default shall exist under the Trust Agreement;
- (f) written approval of the FAA of payment of the costs of the 2012A Airport Facilities Projects with PFCs and the issuance of the Series 2012A Bonds for such purpose;

(g) a Certificate of the Authority to the effect that (i) the amount of the Pledged Revenues actually collected during the most recent Bond Year was not less than 150% of the Debt Service Requirements of Outstanding Bonds for such Bond Year, (ii) during each of the five Bond Years immediately succeeding the later of the date of delivery of the Series 2012A Bonds and the date to which interest on the Series 2012A Bonds has been funded, the estimated Pledged Revenues to be actually collected during each such Bond Year are projected to be not less than 150% of the Debt Service Requirements of Outstanding Bonds for such Bond Year, taking into account the Series 2012A Bonds and (iii) if any Credit Facility is then in effect, the Authority has satisfied the requirements of the related Credit Facility Agreement regarding issuance of the Series 2012A Bonds; and

(h) \$4,153,725.00, being the amount required to make the amount on deposit in the 2012A Debt Service Reserve Fund equal the Debt Service Reserve Fund Requirement for the Series 2012A Bonds upon the issuance of such Series 2012A Bonds.

Section 2.04. Application of Proceeds of Series 2012A Bonds.

The proceeds of the Series 2012A Bonds shall be received by the Trustee on behalf of the Authority. Upon receipt of the proceeds of the Series 2012A Bonds the Trustee shall deposit such proceeds in accordance with the Order of the Authority delivered pursuant to Section 2.03(c).

ARTICLE III

REDEMPTION OF SERIES 2012A BONDS

Section 3.01. Series 2012A Bonds Subject to Redemption.

Series 2012A Bonds maturing on or after June 1, 2023 are subject to redemption prior to maturity beginning on June 1, 2022, at the option of the Authority, as a whole or in part at any time, at a price equal to the principal amount of such Series 2012A Bonds to be redeemed, plus accrued interest thereon to the date set for redemption.

In lieu of redeeming any Series 2012A Bonds called for redemption, the Authority shall have the right to purchase such Series 2012A Bonds or cause such Series 2012A Bonds to be purchased on the date named for redemption at a price equal to the principal amount of such Series 2012A Bonds, plus accrued interest thereon to the date set for redemption, and by their acceptance of the Series 2012A Bonds, the holders thereof agree to sell the Series 2012A Bonds to or upon the order of the Authority on such date. If there shall have been deposited with the Trustee the purchase price of such Series 2012A Bonds on such date, then such Series 2012A Bonds shall be deemed to have been purchased on such date whether or not the holders thereof surrender such Series 2012A Bonds for purchase and such holders shall not be entitled to interest accruing on such Series 2012A Bonds subsequent to such date and shall have no claims with respect thereto except to receive the purchase price of such Series 2012A Bonds so held by the Trustee.

Section 3.02. Notice of Redemption of Series 2012A Bonds.

Notwithstanding the provisions of Section 3.02 of the Trust Agreement, notice of the redemption of Series 2012A Bonds need not be given to the registered owners of such Bonds more than 20 days prior to the redemption date.

Section 3.03. Optional Redemption Subject to Deposit of Funds.

Any redemption of the Series 2012A Bonds shall be subject to the deposit of funds for such redemption by or on behalf of the Authority.

ARTICLE IV

FUNDS AND ACCOUNTS

Section 4.01. Funds and Accounts.

(a) There is hereby created the 2012A Construction Account within the Construction Fund created by the Trust Agreement.

(b) As permitted by Section 2.05 of the Trust Agreement, there is hereby created the 2012A Bond Fund for the Series 2012A Bonds, which shall include the 2012A Interest Account. The 2012A Bond Fund shall be held separate and apart from the Bond Fund heretofore created under the Trust Agreement. Pending the application thereof in accordance with the Trust Agreement, amounts on deposit in the 2012A Bond Fund are hereby pledged to the payment of the principal of and interest on the outstanding Series 2012A Bonds. The provisions of the Trust Agreement with respect to the Bond Fund as in effect immediately prior to the execution and delivery of this First Supplement shall apply to the 2012A Bond Fund in all respects, *provided* that the 2012A Bond Fund shall secure only the Series 2012A Bonds and, to the extent provided in any Supplemental Trust Agreement authorizing the issuance of any other Additional Bonds, such Additional Bonds and the Bond Fund heretofore created under the Trust Agreement and any other Bond Fund created hereafter for other Bonds shall not secure the Series 2012A Bonds.

(c) As permitted by Section 2.05 of the Trust Agreement, there is hereby created the 2012A Debt Service Reserve Fund for the Series 2012A Bonds. The 2012A Debt Service Reserve Fund shall be held separate and apart from the Debt Service Reserve Fund heretofore created under the Trust Agreement. Pending the application thereof in accordance with the Trust Agreement, amounts on deposit in the 2012A Debt Service Reserve Fund are hereby pledged to the payment of the principal of and interest on the outstanding Series 2012A Bonds. The provisions of the Trust Agreement with respect to the Debt Service Reserve Fund as in effect immediately prior to the execution and delivery of this First Supplement shall apply to 2012A Debt Service Reserve Fund in all respects, *provided* that the 2012A Bond Fund shall secure only the Series 2012A Bonds and, to the extent provided in any Supplemental Trust Agreement authorizing the issuance of any other Additional Bonds, such Additional Bonds and the Debt Service Reserve Fund heretofore created under the Trust Agreement and any other Debt Service Reserve Fund created hereafter for other Bonds shall not secure the Series 2012A Bonds.

Section 4.02. Deposit of Pledged Revenues.

(a) On the first day of each month, the Trustee shall transfer from amounts in the PFC Revenue Fund the following amounts, in addition to the amounts required to be transferred or paid therefrom under Section 4.03 of the Trust Agreement:

(i) to the 2012A Interest Account, the lesser of (i) during the period from the date of delivery of the Series 2012A Bonds through June 1, 2012, one-half (1/2) and thereafter, one-sixth (1/6) of the interest becoming due on the outstanding Series 2012A Bonds on the immediately succeeding Interest Payment Date and (ii) the amount, if any, necessary to make the amount on deposit therein equal to interest becoming due on the outstanding Series 2012A Bonds on the immediately succeeding Interest Payment Date;

(ii) to the 2012A Bond Fund, the lesser of (i) one-twelfth (1/12) of the amount of the principal for the Series 2012A Bonds Outstanding becoming due on the immediately succeeding June 1 and (ii) the amount, if any, necessary to make the amount on deposit therein equal to principal of the outstanding Series 2012A Bonds becoming due on the immediately succeeding June 1;

(iii) to the 2012A Interest Account and the 2012A Bond Fund, an amount equal to any deficiency in the amount deposited in the 2012A Bond Fund in any prior month below the amount which was required to be deposited in the 2012A Bond Fund in accordance with this Section; and

(iv) after making the payments and transfers required by clause 4.03(a)(ii) of the Trust Agreement, to the 2012A Debt Service Reserve Fund, beginning in the month immediately succeeding any month in which the Authority receives notice of any deficiency in the 2012A Debt Service Reserve Fund (A) one-fourth (1/4) of the amount of such deficiency if the value of the assets credited to the 2012A Debt Service Reserve Fund is less than 90% of the 2012A Debt Service Reserve Fund Requirement and such deficiency results from a decline in the value of the assets of the Debt Service Reserve Fund, (B) one-twelfth (1/12) of the amount of such deficiency if such deficiency results from a withdrawal from the 2012A Debt Service Reserve Fund or (C) one-sixth (1/6) of the amount of such deficiency if such deficiency results from the failure of the Authority to deliver to the Trustee a Debt Service Reserve Fund Credit Facility (or a commitment therefor) which meets the requirements of Section 4.09 of the Trust Agreement in substitution for any Debt Service Reserve Fund Credit Facility held to the credit of the 2012A Debt Service Reserve Fund prior to the first day of the sixth month before the expiration of the Debt Service Reserve Fund Credit Facility then in effect, in each case until the amount credited to the 2012A Debt Service Reserve Fund equals the 2012A Debt Service Reserve Fund Requirement.

(b) In accordance with Section 2.05 of the Trust Agreement, if on any date on which any amounts are required to be transferred from the PFC Revenue Fund (i) to the Bond Fund created by the Trust Agreement, the 2012A Bond Fund and any Bond Fund created pursuant to any Supplemental Trust Agreement for any other Additional Bonds (collectively, the "Bond Funds"), the amount on deposit therein shall be insufficient to make all of such transfers, then the

Trustee shall allocate the amount available to be transferred to the Bond Funds on such date *pro rata* among all of the Bond Funds on the basis of the respective amounts of the principal of, the Sinking Fund Installments for and the interest on the Series of Bonds secured thereby required to be deposited on such date, or (ii) to the Debt Service Reserve Fund created by the Trust Agreement, the 2012A Debt Service Reserve Fund and any Debt Service Reserve Fund created pursuant to any Supplemental Trust Agreement for any other Additional Bonds (collectively, the “Debt Service Reserve Funds”), the amount on deposit therein shall be insufficient to make all of such transfers, then after the transfers to the Bond Funds and payment of Administrative Expenses required to be made under the Trust Agreement on such date, the Trustee shall allocate the amount available to be transferred to the Debt Service Reserve Funds on such date *pro rata* among all of the Debt Service Reserve Funds on the basis of the respective aggregate principal amounts of the Bonds Outstanding secured by such Debt Service Reserve Funds.

ARTICLE V

AMENDMENTS TO TRUST AGREEMENT

Section 5.01. Facility Improvements Fund.

Section 4.08(f) of the Trust Agreement shall be deleted in its entirety and replaced with the following:

“amounts on deposit in the Facility Improvements Fund shall be (i) applied to the payment of such costs of additions, improvements or betterments to, or design, expansion, construction, replacement, remodeling or equipping of “transportation facilities projects” as defined in the Enabling Legislation at BWI Marshall Airport, including (without limitation) any land acquisition, as shall be permitted under Applicable Law and approved in writing by the FAA or (ii) paid to the MAA to be applied to the payment of such costs; provided that (1) the Authority, the Trustee and each Credit Facility Provider shall have received a certificate from the MAA in which the MAA covenants at all times to manage the PFC program in such manner as will enable the Authority to meet the Sufficiency Covenant, (2) at the beginning of each Bond Year and as of the date which is 180 days thereafter, the MAA will demonstrate whether the Sufficiency Covenant is being complied with and the amount, if any, that may be withdrawn from the Facility Improvements Fund without violating the Sufficiency Covenant and (3) the amount withdrawn as described above will not result in the violation of the Sufficiency Covenant if the calculations necessary to determine compliance were made on the date of such withdrawal.”

Section 5.02. Consent of Holders.

The parties hereby confirm that the purchasers of any Bonds upon the original issuance thereof in accordance with the Trust Agreement may be deemed to have consented to any amendment to the Trust Agreement, any Supplemental Trust Agreement or any Bond permitted to be made with the consent of the Holders of Bonds with the same effect as if such Holders shall have filed a written consent to such amendment.

Section 5.03. Effectiveness of Amendments.

The holders of the Series 2012A Bonds, by their acceptance of such Bonds, shall be deemed to have consented to the amendments to the Trust Agreement set forth in this Article. The holders of the Series 2012A Bonds upon the issuance thereof constituting a majority of the aggregate principal amount of the Bonds outstanding, such amendments shall be fully effective immediately upon the issuance of the Series 2012A Bonds.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Execution in Several Counterparts.

This First Supplement may be executed in any number of counterparts, each of which shall be deemed to be an original for all purposes; and all such counterparts shall together constitute but one and the same instrument.

Section 6.02. Governing Law.

This First Supplement shall be governed by and construed in accordance with the laws of the State of Maryland.

Section 6.03. Effect of Partial Invalidity; Severability.

If any clause, provision or section of this First Supplement or of the Series 2012A Bonds is held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof, and this First Supplement or the Series 2012A Bonds, as applicable, shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein. In case any agreement or obligation contained in this First Supplement or the Series 2012A Bonds is held to be in violation of law, such agreement or obligation shall nevertheless be determined to be the agreement or obligation of the Authority or the Trustee, as the case may be, to the full extent permitted by law.

Section 6.04. Application of Provisions of this First Supplement.

The provisions of this First Supplement are intended to supplement and amend those of the Trust Agreement as in effect immediately prior to the execution and delivery hereof. Except as amended by this First Supplement, the Trust Agreement shall remain in full force and effect and the provisions of the Trust Agreement shall apply with like force and effect to the Series 2012A Bonds except to the extent that the provisions of the Trust Agreement are expressly modified or their application expressly limited by the terms of this First Supplement.

[Remainder of this page left blank intentionally.]

IN WITNESS WHEREOF, the Maryland Transportation Authority has caused this First Supplemental Trust Agreement to be executed by its Executive Secretary, under the official seal of the Authority, and Manufacturers and Traders Trust Company, the Trustee hereunder, has caused this First Supplemental Trust Agreement to be executed in its name and on its behalf by its authorized officer, and duly attested, all as of the day and year first above written.

MARYLAND TRANSPORTATION AUTHORITY

By: Harold M. Bartlett
Harold M. Bartlett
Executive Secretary

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

By: Donald C. Hargadon
Donald C. Hargadon
Vice President

(SEAL)

ATTEST:

By: Valerie J. Smith
Authorized Officer

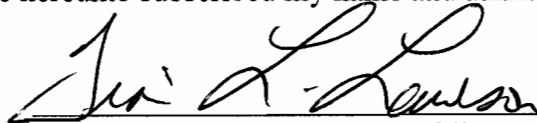
Approved as to form and legal sufficiency:

Valerie J. Smith
Valerie J. Smith
Assistant Attorney General and
Principal Counsel to the Maryland
Transportation Authority

STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY that on the 24th day of April in the year 2012, before the subscriber, a Notary Public in and for the State of Maryland, personally came Donald C. Hargadon, who is a Vice President of Manufacturers and Traders Trust Company (the "Bank") and acknowledged that the name of said Bank was subscribed to the foregoing First Supplemental Trust Agreement by himself as a Vice President thereof, that the seal impressed thereon is the seal of said Bank, that said name was subscribed and said seal impressed by the direction and authority of said Bank and that the foregoing First Supplemental Trust Agreement is the free act and deed of said Bank for the uses and purposes therein mentioned.

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: 5-13-2015



STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY that on the 11th day of April in the year 2012, before the subscriber, a Notary Public in and for the State of Maryland, personally came Harold M. Bartlett, Executive Secretary of the Maryland Transportation Authority (the "Authority"), and acknowledged that the name of said Authority was subscribed to the foregoing First Supplemental Trust Agreement by himself as the Executive Secretary thereof, that the seal impressed thereon is the seal of said Authority, that said name was subscribed and said seal impressed by the direction and authority of said Authority, and that the foregoing First Supplemental Trust Agreement is the free act and deed of said Authority for the uses and purposes therein mentioned.

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

Trudy Edwards
Notary Public

My commission expires: 5/12/14

(SEAL)

**TRUDY EDWARDS
NOTARY PUBLIC
BALTIMORE COUNTY, MARYLAND
MY COMMISSION EXPIRES 5/12/14**

FORM OF SERIES 2012A BOND

(See Attached)

APPENDIX A
to First Supplemental Trust Agreement

FORM OF SERIES 2012A BOND

**IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER ALL
OR PART OF THE PRINCIPAL AMOUNT SHOWN BELOW HAS BEEN PAID**

REGISTERED UNITED STATES OF AMERICA REGISTERED
STATE OF MARYLAND

No. R-____ \$ _____
MARYLAND TRANSPORTATION AUTHORITY

**Passenger Facility Charge Revenue Bond, Series 2012A
Baltimore/Washington International Thurgood Marshall Airport
(Qualified Airport Bonds - AMT)**

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Dated Date</u>	<u>CUSIP No.</u>
June 1, 20____	_____ %	April 25, 2012	_____

Registered Owner: CEDE & CO.

Principal Amount: _____ Dollars

MARYLAND TRANSPORTATION AUTHORITY (the "Authority"), an agency of the State of Maryland (the "State"), acting on behalf of the Department of Transportation of Maryland (the "Department"), for value received, hereby promises to pay, but only from the Pledged Revenues (as defined in the Trust Agreement referred to herein), and other amounts pledged to such payment under the Trust Agreement (defined herein) to the Registered Owner shown above or registered assigns or legal representative, on the Maturity Date set forth above (or earlier as hereinafter referred to), upon the presentation and surrender hereof at the designated office (the "Designated Office") of the Trustee (defined herein), the Principal Amount shown above (or such lesser amount as shall be outstanding hereunder from time to time in accordance with Section 6 hereof), with interest thereon from the most recent date to which interest has been paid, or if the Date of Authentication shown below is prior to the first Interest Payment Date (defined herein), from the Dated Date set forth above at the Interest Rate shown above until said Principal Amount is paid, payable on June 1, 2012, and semiannually thereafter on December 1 and June 1 of each year (each, an "Interest Payment Date").

All interest due on this bond shall be payable to the person in whose name this bond is registered on the bond registration books maintained by Manufacturers and Traders Trust Company, as trustee and registrar (such entity and any successor in such capacity being referred to herein as the "Trustee") as of the close of business on the fifteenth (15th) day of the calendar month immediately preceding the Interest Payment Date upon which such interest is due and payable and shall be made by wire transfer or check mailed to the address of such owner as it appears on the bond registration books maintained by the Trustee; provided, that if there is a default in the payment of interest due hereon, such defaulted interest shall be payable to the person in whose name this bond is registered as of the close of business on a subsequent date fixed by the Trustee (the "Special Record Date") that is at least 10 and not more than 15 days before the date set for the payment of such defaulted interest. Notice of any Special Record Date will be given to the Registered Owner hereof not later than 10 days before the Special Record Date.

The principal or redemption price of and interest on this bond are payable in lawful money of the United States of America or by check payable in such money.

This bond shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof, of the Department, of the Maryland Aviation Administration (the "MAA") or of the Authority, or a pledge of the faith and credit of the State or any political subdivision thereof, the Department, the MAA, or the Authority, but shall be payable solely from the Pledged Revenues. Neither the State nor any political subdivision thereof, nor the Department, nor the MAA, nor the Authority shall be obligated to pay this bond or the interest hereon except from such sources, and neither the faith and credit nor the taxing power of the State, or any political subdivision thereof, of the Department, of the MAA or of the Authority is pledged to the payment of the principal of or the interest on this bond. This bond is not a general obligation of the Authority. Neither the Authority, nor Department nor the MAA have taxing power.

1. Trust Agreement. This bond is one of a duly authorized series of revenue bonds of the Authority aggregating Fifty Million Nine Hundred Five Thousand Dollars (\$50,905,000) in principal amount, known as "Maryland Transportation Authority Airport Passenger Facility Charge Revenue Bonds, Series 2012A, Baltimore/Washington International Thurgood Marshall Airport (Qualified Airport Bonds - AMT)" (the "Series 2012A Bonds"), duly authorized and issued by the Authority under and pursuant to (i) Title 4 of the Transportation Article of the Annotated Code of Maryland, as amended (the "Enabling Act"), (ii) certain proceedings of the Authority, and (iii) the First Supplemental Trust Agreement dated as of April 1, 2012, by and between the Authority and the Trustee, amending and supplementing the Trust Agreement dated as of December 1, 2003, by and between the Authority and the Trustee (as so amended, the "Trust Agreement").

The terms of the Series 2012A Bonds include those stated in the Trust Agreement and the Series 2012A Bonds are subject to all such terms. Executed counterparts of the Trust Agreement are on file at the Designated Office of the Trustee and at the offices of the Authority. Reference

is hereby made to the Trust Agreement for a description of the funds, revenues and charges pledged thereunder, the nature and extent of the security created or to be created, and the rights, limitations of rights, obligations, duties and immunities of the Authority and the Trustee and the rights of the registered owners of the Series 2012A Bonds. By the acceptance of this bond, the Registered Owner hereof assents to all of the provisions of the Trust Agreement.

2. Lease and Assignment; Financing Agreement; Pledged Revenues. The Authority, the State and the MAA have entered into the Lease of Airport Facilities Projects at Baltimore/Washington International Airport and Assignment of Passenger Facility Charges dated as of December 1, 2003 and the Lease of Airport Facilities Projects at the Baltimore/Washington International Thurgood Marshall Airport and Assignment of Passenger Facility Charges dated as of April 1, 2012, granting to the Authority a leasehold interest in the airport facilities projects and pursuant to which the MAA has assigned its rights to the Pledged Revenues to the Authority. The Authority and the MAA have entered into an Agreement on Financing Airport Facilities Projects at Baltimore/Washington International Thurgood Marshall Airport dated as of April 1, 2012 under which the Authority has agreed to finance and refinance and the MAA has agreed to develop, construct, operate and maintain the airport facilities projects financed with proceeds of the Series 2012A Bonds on behalf of the Authority.

3. The Series 2012A Bonds. All the Series 2012A Bonds are of like tenor except as to number, principal amount, maturity and interest rate provisions and mature on June 1 of the years and in the amounts and bear interest as set forth in the Trust Agreement.

4. Authorized Denominations. The Series 2012A Bonds are issuable only in registered form without coupons in denominations of \$5,000 and any integral multiple thereof.

5. Additional Bonds. The Authority has previously issued its Variable Rate Passenger Facility Charge Revenue Bonds, Baltimore/Washington International Airport Facility Projects, Series 2003A (Governmental Purpose Bonds) (the "Series 2003A Bonds") and the Trust Agreement provides that Additional Bonds may be issued within the limitations and provisions of the Trust Agreement. The Series 2003A Bonds and any other Additional Bonds issued within the limitations and provisions of the Trust Agreement shall be secured equally and ratably by the Pledged Revenues and other moneys pledged by the Authority, to the extent provided in the Trust Agreement.

6. Redemption. The Series 2012A Bonds are subject to optional redemption prior to maturity as provided in the Trust Agreement.

So long as the Series 2012A Bonds shall be maintained in book-entry form with a Securities Depository (as defined in the Trust Agreement) in accordance with the Trust Agreement, in the event that part, but not all, of this bond shall be called for redemption, the holder of this bond may elect not to surrender this bond in exchange for a new bond and in such event shall make a notation indicating the principal amount of such redemption and the date thereof on the Payment Grid attached hereto. For all purposes, the principal amount of this bond outstanding at any time shall be equal to the Principal Amount shown on the face hereof reduced by the principal amount of any partial redemption of this bond following which the holder of this

bond has elected not to surrender this bond. The failure of the holder hereof to note the principal amount of any partial redemption on the Payment Grid attached hereto, or any inaccuracy therein, shall not affect the payment obligation of the Authority hereunder. THEREFORE, IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER A PART OF THE PRINCIPAL OF THIS BOND HAS BEEN PAID.

7. Defeasance. The Trust Agreement prescribes the manner in which it may be discharged and provides that Series 2012A Bonds shall be deemed to be paid if moneys or certain Government Obligations, the principal of and interest on which, when due, will be sufficient to pay the principal or redemption price of and interest on such Series 2012A Bonds to the date of maturity or redemption thereof, shall have been deposited with the Trustee.

8. Persons Deemed Owners; Restrictions upon Actions by Individual Owners. The Authority and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof (whether or not this bond shall be overdue and notwithstanding any notation of ownership or other writing hereon made by anyone other than the Authority or the Trustee) for the purpose of receiving payment of or on account of the principal or redemption price of this bond, and for all other purposes except as otherwise provided herein with respect to the payment of interest on this bond, and neither the Authority nor the Trustee shall be affected by any notice to the contrary. All such payments so made to any such registered owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable under this bond. The registered owner of this bond shall have no right to enforce the provisions of the Trust Agreement, or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Trust Agreement, or to institute, appear in or defend any suit or other proceeding with respect hereto, except as provided in the Trust Agreement.

9. Transfer and Exchange. This bond may be exchanged for an equal, aggregate principal amount of Series 2012A Bonds, of the same maturity and bearing interest at the same rate and of other authorized denominations, and the transfer of this bond may be registered, upon presentation and surrender of this bond at the Designated Office of the Trustee, together with an assignment duly executed by the registered owner hereof or such owner's attorney or legal representative. The Authority and the Trustee may require the person requesting any such exchange or transfer to reimburse them for any tax or other governmental charge payable in connection therewith. Neither the Authority nor the Trustee shall be required to register the transfer of this bond or make any such exchange of this bond after this bond or any portion thereof has been selected for redemption.

10. Modifications. Modifications or alterations of the Trust Agreement may be made only to the extent and in the circumstances permitted by the Trust Agreement.

11. Governing Law. This bond shall be governed by and construed in accordance with the laws of the State of Maryland.

12. Notices. Except as otherwise provided in the Trust Agreement, when the Trustee is required to give notice to the owner of this bond, such notice shall be mailed by first-class mail

to the registered owner of this bond at such owner's address as it appears on the registration books maintained by the Trustee. Any notice mailed as provided herein will be conclusively presumed to have been given, whether or not actually received by the addressee.

All acts, conditions and things required by the Constitution and laws of the State of Maryland and the rules and regulations of the Authority to happen, exist and be performed precedent to and in the issuance of this bond and the execution and delivery of the Trust Agreement have happened, exist and have been performed as so required.

No recourse shall be had for the payment of the principal or redemption price of and interest on this bond or for any claims based thereon or on the Trust Agreement against any member or other officer of the Authority or any person executing this bond, all such liability, if any, being expressly waived and released by the registered owner of this bond by the acceptance of this bond.

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

IN WITNESS WHEREOF, Maryland Transportation Authority has caused this bond to bear the manual or facsimile signatures of the Chairman of the Authority and the Executive Secretary of the Authority and the official seal of the Authority to be imprinted hereon, all as of the Dated Date.

[SEAL]

Harold M. Bartlett
Executive Secretary

Beverley K. Swaim-Staley
Chairman

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This bond is one of the bonds of the series designated therein and issued under the provisions of the Trust Agreement referred to therein. Signed original opinions of Valerie J. Smith, Assistant Attorney General and Principal Counsel to the Maryland Transportation Authority, and of its Bond Counsel, McKennon Shelton & Henn LLP, Baltimore, Maryland, are on file with the undersigned.

**MANUFACTURERS AND TRADERS TRUST
COMPANY**, as Bond Registrar

By: _____
Authorized Officer

Descriptions of 2012A Airport Facilities Projects

The 2012A Airport Facilities Projects consist of a program of individual projects to improve the level of services and fire/life safety code compliance egress in the central portion of the terminal complex. The program includes construction of the improvements as well as planning, design, program management and construction management/inspection services. Elements of the program include:

B/C Security Checkpoint and Connector

This contract provides for the construction of a new nine lane passenger security checkpoint and secure side passenger connector between Concourses B and C. The work includes construction of approximately 73,000 SF of new building on two levels and the renovation of approximately 115,000 SF within the existing terminal. The project will involve all building trades and specialty work associated with airport terminal facilities. Specific elements of the project include both reinforced concrete and structural steel framing, architectural curtain wall and building envelope systems, four moving walkways and two freight elevators, four new air handling units and distribution and piping systems, fire protection systems, plumbing systems for two new restrooms and building maintenance, new electrical substation, generator and power distribution systems, telecommunications data systems, pavement reconstruction and two new loading docks.

Concourse C Widening

This contract includes construction of approximately 18,000 SF of new building on the departures level, and the renovation of existing finishes within the remainder of the Concourse (approximately 70,000 SF). The project will involve all building trades and specialty work associated with airport terminal facilities. Specific elements of the project include both structural steel framing, architectural curtain wall and building envelope systems, a new freight elevator, expansion of the cooling plant with three new chillers and associated cooling towers and piping systems, fire protection systems, plumbing systems for relocated spaces, electrical distribution systems, telecommunications data systems, pavement reconstruction with new loading docks.

Enabling Projects

The enabling projects include multiple projects associated with the relocation of the MAA and tenant spaces that will be displaced by construction of the proposed improvements. Elements of the enabling projects include relocation of the Landside Operations Center, Pathfinders Suite, Security Center, Security Compliance Center, and buyout of leases for concession tenants that will be taken by proposed construction. Also, included in the enabling projects are the moving costs associated with relocation of the MAA's Office of Finance and Administration to a new lease area contiguous with the MAA Offices off-site at 991 Corporate Boulevard.