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# **TRUST AGREEMENT**

by and between

**MARYLAND TRANSPORTATION AUTHORITY**

and

**MANUFACTURERS AND TRADERS TRUST COMPANY,**  
as Trustee

Dated as of December 1, 2003

**\$64,100,000**

**Maryland Transportation Authority  
Variable Rate Passenger Facility Charge Revenue Bonds  
Baltimore/Washington International Airport Facility Projects  
Series 2003A  
(Governmental Purpose Bonds)**

**\$5,600,000**

**Maryland Transportation Authority  
Variable Rate Passenger Facility Charge Revenue Bonds  
Baltimore/Washington International Airport Facility Projects  
Series 2003B  
(Qualified Airport Bonds - AMT)**

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## TRUST AGREEMENT

**THIS TRUST AGREEMENT**, dated as of December 1, 2003, is by and between **MARYLAND TRANSPORTATION AUTHORITY** (the "Authority"), and Manufacturers and Traders Trust Company, as trustee (the "Trustee").

### RECITALS

The Authority is authorized pursuant to Sections 4-101 through 4-405 of the Transportation Article of the Annotated Code of Maryland, as amended (the "Enabling Legislation," as defined herein), to issue revenue bonds for the purpose of financing and refinancing all or any part of the costs of transportation facility projects (as defined in the Enabling Legislation) and to secure such revenue bonds by a trust agreement, which may pledge and assign all or any part of the revenues of any transportation facilities project to secure such revenue bonds.

The Authority has entered into a lease of certain land located at the Baltimore/Washington International Airport ("BWI Airport") dated as of December 1, 2003 with the Maryland Aviation Administration (the "MAA") pursuant to which the Authority has acquired from the State of Maryland through the MAA a leasehold interest in certain real property on which certain improvements (collectively, the "Airport Facilities Projects," as defined herein) are to be constructed. The Airport Facilities Projects include (i) the construction, extension and improvement of the terminal access roadway to accommodate the new Concourse A facility; (ii) the construction, equipping and improvement of pedestrian skywalks, access and circulation and associated improvements; (iii) the construction, equipping and improvement of a taxiway parallel to Runway 15R and a new aircraft parking apron; and (iv) the installation of a common use terminal equipment for the International Terminal. Pursuant to an Agreement on Financing Airport Facilities Projects at Baltimore/Washington International Airport dated as of December 1, 2003 between the Authority and the MAA, the Authority has agreed to finance the design, construction and equipping of the Airport Facilities Projects for the MAA and the MAA has agreed, among other things, to operate, secure and maintain the Airport Facilities Projects as the agent of the Authority.

By resolutions adopted by the Authority on October 21, 2003 and November 18, 2003, the Authority has authorized the issuance of its revenue bonds (the "Series 2003 Bonds," as defined herein) to finance a portion of the cost of the Airport Facilities Projects.

The Bonds (defined herein) shall be limited obligations of the Authority payable solely from the Pledged Revenues (defined herein). Neither the State of Maryland (the "State"), nor the Department of Transportation (the "Department"), nor the MAA, nor any political subdivision of the State, nor the Authority shall be obligated to pay the 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 Bonds or the interest thereon. The issuance of the Bonds shall not directly or indirectly or contingently obligate the State, the Department, MAA or any political subdivision of the



(c) all of the right, title and interest of the Authority in and to any moneys and securities from time to time on deposit in any fund or account established and maintained under this Trust Agreement other than moneys for the payment of the Purchase Price of the Bonds and moneys held in the Rebate Fund (as hereinafter defined) and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder by the Authority or by anyone on its behalf, or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of this Trust Agreement.

**TO HAVE AND TO HOLD** all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors in trust and assigns forever upon the terms and trusts herein set forth for the equal and ratable benefit, security and protection of all present and future such holders and the Credit Facility Providers, without privilege, priority or distinction as to the lien or otherwise of any Bond or Credit Facility Provider over any other Bond or Credit Facility Provider, except as otherwise expressly provided herein;

**PROVIDED, HOWEVER,** that, if the Authority shall well and truly pay, or cause to be paid, the principal or Redemption Price of and interest on, and the Purchase Price of, the Bonds and all amounts owed under the Credit Facility Agreements, according to the true intent and meaning thereof or shall provide for the payment thereof as provided by Article IX, and shall perform and observe all the covenants and conditions of this Trust Agreement, the Credit Facility Agreements and the Bonds to be performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then, upon compliance with Article IX, the lien of this Trust Agreement shall be discharged and satisfied and shall be null and void; otherwise, this Trust Agreement is to be and remain in full force and effect.

All Bonds secured hereunder are to be issued and all such property, rights and interests, including, without limitation, the amounts hereby assigned and pledged, are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Authority has agreed and covenanted, and does hereby agree and covenant with the Trustee and the holders of the Bonds and the Credit Facility Providers as follows (subject to the provisions of Section 5.01):

## **ARTICLE I**

### **DEFINITIONS AND RULES OF CONSTRUCTION**

#### **Section 1.01. Definitions.**

Terms used in this Trust Agreement have the following meanings, unless a different meaning clearly appears from the context:



**“Additional Bonds”** means any bond, note or other evidence of obligation issued by the Authority pursuant to Section 2.05.

**“Additional Facilities”** means any “transportation facilities project” as defined in the Enabling Legislation and any other facility for which Additional Bonds may be issued pursuant to the Enabling Legislation that is financed or refinanced with proceeds of any Additional Bonds.

**“Adjustment Date”** means (a) in the case of Series 2003 Bonds bearing interest at the Daily Rate, each Business Day and (b) in the case of Series 2003 Bonds bearing interest at the Weekly Rate, each Mandatory Tender Date after which such Bonds will bear interest at the Weekly Rate and Thursday of each week thereafter.

**“Administrative Expenses”** means any expenditures reasonably and necessarily incurred by the Authority by reason of its issuance and administration of any Bonds and the performance of its obligations determined for the Series 2003 Bonds pursuant to Appendix C of this Trust Agreement, including (without limitation) fees and expenses of the Trustee (whether as Trustee or Registrar and Paying Agent for the Bonds and including attorneys’ fees and expenses) and any Auction Agent, fees and expenses of preparing annual disclosure statements, fees and expenses of calculating rebates, fees and expenses of the issuer of any Credit Facility securing any Bonds, the Remarketing Agent, any Broker-Dealer or other similar agent not otherwise paid or provided for, legal, financing and administrative expenses, fees and expenses of the Authority’s financial advisor and expenses incurred by the Authority to compel full and punctual performance of the provisions of the Lease and Assignment and the Financing Agreement.

**“After-Tax Equivalent Rate”** means, as of any date of determination, the interest rate per annum equal to the product of (a) the Commercial Paper/Treasury Rate on such date and (b) 1.00 minus the highest tax rate bracket (expressed in decimals) applicable in the then current taxable year on the taxable income of every corporation as set forth in Section 11 of the Code or any successor section, without regard to any minimum additional tax provision regarding changes in rates during such taxable year on such date.

**“Agency Obligations”** means direct obligations, including bonds, debentures, notes, participation certificates or similar obligations of, or obligations the timely payment of the principal of and the interest on which are unconditionally guaranteed by any agency or instrumentality of the United States of America or their successors, including (without limitation): Government National Mortgage Association, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Tennessee Valley Authority, United States Postal Service, Export-Import Bank of the United States, United States Department of Agriculture-Rural Development (formerly Farmers Home Administration), General Services Administration, United States Maritime Administration, Small Business Administration, United States Department of Housing and Urban Development and Federal Housing Administration.

**“Agent Member”** means a member of, or participant in, the Securities Depository.

**“Airport Facilities Projects”** means the FAA approved transportation facilities projects described on Appendix A, as such FAA approved transportation facilities projects may be amended from time to time by the Authority, together with attendant facilities and equipment.

**“Alternate Credit Facility”** means any letter of credit, bond insurance policy, bond purchase agreement, guaranty, line of credit, surety bond or similar credit or liquidity facility meeting the requirements of and delivered in accordance with Section 5.10, as amended, modified or supplemented from time to time.

**“Applicable Law”** means any law, regulation, requirement or order of any federal, state or local agency, court or other governmental body applicable from time to time to the acquisition, design, construction, equipping, financing, ownership, possession or operation of all, or any portion, of the Facilities or the performance of any of the obligations of the Authority under this Trust Agreement, including (without limitation) all permits, licenses and governmental approvals required for the operation of any portion of the Facilities.

**“Applicable Percentage”** means, as of any date of determination, the percentage determined as set forth below based on the prevailing rating of the Series 2003 Bonds in effect at the close of business on the Business Day immediately preceding such date of determination, as such percentage may be increased pursuant to Section 10 of Appendix C:

<u>Applicable Prevailing Rating</u>	<u>Percentage</u>
A/A .....	175%
BBB/Baa .....	200%
Below BBB/Baa .....	265%

For purposes of this definition, the prevailing rating of the Series 2003 Bonds will be (a) “A/A,” if such Bonds have a rating of “A-” or higher, by S&P, a rating of “A-” or higher by Fitch and a rating of “A3” or higher by Moody’s; (b) if not “A/A,” then “BBB/Baa,” if such Bonds have a rating of “BBB-” or higher by S&P, a rating of “BBB-” or higher by Fitch and a rating of “Baa3” or higher by Moody’s; and (c) if not “A/A” or “BBB/Baa,” then “Below BBB/Baa.”

**“Auction”** means the implementation of the procedures set forth in paragraphs (2) through (6) of Appendix C pursuant to which the Auction Rate is determined.

**“Auction Agent”** means a bank, trust company or national banking association duly organized under the laws of the United States of America or any state or territory thereof having a combined capital stock, surplus and undivided profits of at least \$25,000,000 or a member of the National Association of Securities Dealers, Inc., having a capitalization of at least \$25,000,000 appointed by the Authority to perform the duties of Auction Agent hereunder, and its successors and assigns.

**“Auction Agent Agreement”** means an agreement entered into by the Authority and an Auction Agent pursuant to which the Auction Agent agrees to perform the duties of the Auction Agent hereunder.

**“Auction Date”** means any Conversion Date on which the Interest Mode applicable to Bonds of a Series is changed to an Auction Rate Period and, with respect to each Auction Period thereafter, the last Business Day of the immediately preceding Auction Period.

**“Auction Period”** shall mean the Standard Auction Period or such other period as the Authority shall establish for the Bonds of a Series in an Auction Rate Period in accordance with Appendix C, or such shorter period as shall end on the day preceding the maturity date of such Bonds.

**“Auction Rate”** means the interest rate determined for the Bonds pursuant to Appendix C.

**“Auction Rate Period”** means each period during which the Bonds bear interest at the Auction Rate.

**“Authority”** means Maryland Transportation Authority, an agency of the State of Maryland, and its successors and assigns.

**“Authority Representative”** means the Chairman, the Executive Secretary or the Director of Finance of the Authority and, when used with respect to any act, any other person (who may or may not be a member, officer or employee of the Authority) authorized to perform such act by the Enabling Legislation or a resolution of the Authority.

**“Authorized Denomination”** means (a) in the case of the Series 2003 Bonds (i) during any Variable Rate Period and during any Fixed Rate Period of one year or less, \$100,000 and any integral multiple of \$5,000 in excess of \$100,000, (ii) during an Auction Rate Period, \$25,000 and any integral multiple of \$5,000 in excess of \$25,000 and (iii) during a Fixed Rate Period longer than one year, \$5,000 and any integral multiple thereof, and (b) in the case of any Additional Bonds, such denominations as shall be authorized by the Supplemental Trust Agreement pursuant to which such Additional Bonds are issued.

**“Balloon Debt”** means Indebtedness 25% or more of the principal amount of which matures in the same 12-month period, which portion of such principal amount is not required to be amortized by redemption prior to such period.

**“Bond” or “Bonds”** means the Series 2003 Bonds and any Additional Bonds, collectively.

**“Bond Counsel”** means an attorney or firm of attorneys having a national reputation in the field of municipal law whose legal opinions are generally accepted by purchasers of municipal bonds designated by the Authority as its bond counsel from time to time. The firm of McKennon Shelton & Henn LLP is recognized as constituting Bond Counsel, subject to further action by the Authority.

**“Bond Year”** means the period from and including July 2 of each calendar year through and including July 1 of the immediately succeeding calendar year.

**“Broker-Dealer”** means any entity permitted by law to perform the functions required of a Broker-Dealer hereunder that (a) is an Agent Member (or an affiliate of an Agent Member); (b) has been selected by the Authority; (c) has been appointed as a Broker-Dealer pursuant to Section 6.17 of this Trust Agreement; and (d) has entered into an agreement with the Auction Agent and the Authority that remains effective.

**“Broker-Dealer Agreement”** means each agreement among a Broker-Dealer, the Auction Agent and the Authority pursuant to which a Broker-Dealer, among other things, agrees to participate in Auctions in accordance with this Trust Agreement.

**“Business Day”** means a day other than a (a) Saturday, Sunday or legal holiday in the State, (b) day on which banking institutions in the State or in the city in which the Designated Office of the Trustee or the Credit Facility Provider is located are authorized or obligated to remain closed or (c) day on which the New York Stock Exchange is closed.

**“BWI Airport”** means the Baltimore/Washington International Airport located in Anne Arundel County, Maryland.

**“Calculation Date”** means (a) in the case of Bonds bearing interest at the Daily Rate, each Business Day, (b) in the case of Bonds bearing interest at the Weekly Rate, the Business Day immediately preceding each Mandatory Tender Date after which such Bonds will bear interest at the Weekly Rate and Wednesday of each week thereafter (or, if any such Wednesday is not a Business Day, the immediately preceding Business Day) and (c) in the case of Bonds bearing interest at a Fixed Rate, the date selected by the Remarketing Agent on or prior to the first day of any Fixed Rate Period on which the Fixed Rate is determined by the Remarketing Agent in accordance with Section 2.03(c).

**“Certificate,” “Notice,” “Opinion,” “Order,” “Report,” “Request,” “Requisition” and “Statement”** mean, respectively, a written certificate, notice, opinion, order, report, request, requisition or statement, in form and substance satisfactory to the Authority, signed (a) when used with respect to the Authority, by an Authority Representative, and (b) when used with respect to any other person, by an authorized officer thereof. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the instruments so combined shall be read and construed as a single instrument.

**“Code”** means the Internal Revenue Code of 1986, as amended from time to time, or any successor federal income tax statute or code, and the applicable regulations thereunder.

**“Commercial Paper/Treasury Rate”** means, as of any date of determination (a) in the case of any Auction Period of less than 28 days, the interest equivalent of the 7-day rate; (b) in the case of any Auction Period of 28 days or more but less than 49 days, the interest equivalent of the 30-day rate; (c) in the case of any Auction Period of 49 days or more but less than 70 days, the interest equivalent of the 60-day rate; (d) in the case of any Auction Period of 70 days or more but less than 85 days, the

arithmetic average of the interest equivalent of the 60-day and 90-day rates; (e) in the case of any Auction Period of 85 days or more but less than 99 days, the interest equivalent of the 90-day rate; (f) in the case of any Auction Period of 99 days or more but less than 120 days, the arithmetic average of the interest equivalent of the 90-day and 120-day rates; (g) in the case of any Auction Period of 120 days or more but less than 141 days, the interest equivalent of the 120-day rate; (h) in the case of any Auction Period of 141 days or more but less than 162 days, the arithmetic average of the interest equivalent of the 120-day and 180-day rates; (i) in the case of any Auction Period of 162 days or more but less than 183 days, the interest equivalent of the 180-day rate; and (j) in the case of any Auction Period of 183 days or more, the Treasury Rate with respect to such Auction Period; in each case (other than the Treasury Rate) for commercial paper with the specified maturity placed on behalf of non-financial issuers whose corporate bonds are rated "AA" by S&P, or the equivalent of such rating by S&P, as made available on a discount basis or otherwise by the Federal Reserve Bank of New York for the Business Day immediately preceding such date of determination, or in the event that the Federal Reserve Bank of New York does not make available any such rate, then the arithmetic average of such rates, as quoted on a discount basis or otherwise, by a commercial paper dealer selected by the Authority, to the Auction Agent.

For the purposes of this definition, the "interest equivalent" of a rate stated on a discount basis (a "discount rate") for commercial paper shall be equal to the product of (i) 100 and (ii) the quotient (rounded upwards to the next higher one-thousandth (.001) of 1%) of (A) the discount rate (expressed in decimals) and (B) the difference between (1) 1.00 and (2) a fraction, the numerator of which is the product of the discount rate (expressed in decimals) times the number of days in which such commercial paper matures, and the denominator of which is 360.

**"Conversion Date"** means each Fixed Rate Date and each date on which the Interest Mode on the Bonds is changed.

**"Cost"** as applied to the Airport Facilities Projects or any Additional Facilities, includes the cost of and all expenses incident to the construction, reconstruction, acquisition, improvement, extension, alteration, modernization, planning, maintenance and repair of the Airport Facilities Projects or such Additional Facilities, including (without limitation) the cost and expenses of (a) all property acquired in connection with it; (b) financial, architectural, consulting, engineering and legal services; (c) plans, specifications, surveys, estimates, feasibility reports and direct and indirect labor, material, equipment and administrative expenses; and (d) financing the Airport Facilities Projects or such Additional Facilities, including (without limitation) financing charges and interest before, during and for one year after completion of construction.

**"Credit Facility"** means the 2003 Credit Facility and any other credit or liquidity facility securing any Bond or held to the credit of any fund or account created by this Trust Agreement and any Alternate Credit Facility delivered in substitution therefor. When used with reference to or in connection with any Bonds, "Credit Facility" means any Credit Facility securing such Bonds.

**"Credit Facility Agreement"** means the 2003 Credit Facility Agreement and any other agreement pursuant to which any Credit Facility is issued. When used with reference to or in

connection with any Bonds, “Credit Facility Agreement” means the Credit Facility Agreement under which any Credit Facility securing such Bonds shall have been issued.

“**Credit Facility Bonds**” means Bonds that are purchased with moneys provided under the Credit Facility supporting such Bonds and not remarketed.

“**Credit Facility Default**” when used with respect to the 2003 Credit Facility or the 2003 Credit Facility Provider, means the wrongful failure by the 2003 Credit Facility Provider to honor a drawing under such the 2003 Credit Facility in accordance with the terms thereof, and when used with respect to any other Credit Facility or Credit Facility Provider shall have the meaning specified by the Authority and such Credit Facility Provider in writing upon the delivery of such Credit Facility to the Trustee.

“**Credit Facility Provider**” means the 2003 Credit Facility Provider and the issuer of any other Credit Facility then in effect and their successors and assigns. When used with reference to or in connection with any Bonds, “Credit Facility Provider” means the provider of any Credit Facility securing such Bonds.

“**Daily Rate**” means the interest rate determined for the Bonds pursuant to Section 2.03(b).

“**Daily Rate Period**” means the period during which the Bonds bear interest at the Daily Rate.

“**Debt Service Requirements**” means, when used with respect to any Bonds for any Bond Year, as of any particular date of calculation, the amount required to pay the sum of (a) the interest on such Bonds payable during the period from the second day of such Bond Year through the first day of the immediately succeeding Bond Year, and (b) the principal of, the Sinking Fund Installment for and any other amount required to effect any mandatory redemption of such Bonds, if any, during the period from the second day of such Bond Year through the first day of the immediately succeeding Bond Year, less any amount of such interest or principal for the payment of which moneys or Permitted Investments, the principal of and interest on which when due will provide for such payment when due, are held in trust and pledged to such payment, including (without limitation) any accrued interest and capitalized interest on deposit in any Bond Fund or any Construction Fund. For the purpose of calculating the Debt Service Requirements:

(a) with respect to any Variable Rate Indebtedness:

(i) for the purpose of calculating the Debt Service Reserve Fund Requirement and the principal amount of any such Indebtedness constituting Balloon Debt payable in any Bond Year described in clause (b) below, such Indebtedness shall be deemed to bear interest at the fixed rate that it would have borne had it been issued at a fixed rate for the term thereof, as evidenced by a certificate of an investment banking firm or financial advisor knowledgeable in financial matters relating to the Facilities satisfactory to the Authority, who may be, without limitation, the financial advisor to the Authority, confirming such interest rate assumption as reasonable, *provided* that if the Authority shall have entered into a Qualified Hedging Transaction identified in the records of the Authority with

respect to such Indebtedness, such Indebtedness shall be deemed to bear interest at the rate payable by the Authority under such Qualified Hedging Transaction;

(ii) for all other purposes of this Trust Agreement, such Indebtedness shall be deemed to bear interest at an annual rate equal to (A) in the case of any period during which such Indebtedness shall have been outstanding, the weighted average interest rate per annum borne by such Indebtedness during such period and (B) in any other case, the higher of (1) the weighted average interest rate per annum borne by such Indebtedness during the 12-month period ending on the date of calculation (or, in the case of any Indebtedness to be issued during the immediately preceding 12-month period, the weighted average interest rate per annum borne by other outstanding indebtedness having comparable terms and of comparable creditworthiness during the immediately preceding 12-month period, as evidenced by a certificate of an investment banking firm or a financial advisor knowledgeable in financial matters relating to the Facilities satisfactory to the Authority, who may be, without limitation, the financial advisor to the Authority) and (2) the interest rate per annum borne by such Indebtedness on the date of calculation, *provided* that if any Qualified Hedging Transaction identified in the records of the Authority with respect to any such Indebtedness shall be in effect for the period for which such calculation is to be made, such Indebtedness shall be deemed to bear interest at the rate payable by the Authority under such Qualified Hedging Transaction during such period;

(b) with respect to any Balloon Debt, the principal amount of such Indebtedness payable in each Bond Year may be deemed to be the amount that would be payable during such Bond Year if such Indebtedness were required to be amortized in full from the date of its issuance in substantially equal annual installments of principal (such principal to be rounded to the nearest \$5,000) and interest over a term equal to the shorter of (i) 30 years and (ii) 120% of the weighted average economic life of the facilities financed or refinanced thereby;

(c) with respect to any Optional Tender Debt, the option of the holder thereof to tender such Indebtedness for purchase or redemption prior to maturity shall be disregarded; and

(d) with respect to any Credit Facility Agreement, so long as no demand for payment under the Credit Facility issued under such Credit Facility Agreement shall have been made, the debt service requirements of such Credit Facility Agreement shall be excluded from such calculation.

**“Debt Service Reserve Fund Credit Facility”** means any Credit Facility held to the credit of a Debt Service Reserve Fund.

**“Debt Service Reserve Fund Credit Facility Agreement”** means the agreement, if any, pursuant to which any Debt Service Reserve Fund Credit Facility is issued.

**“Debt Service Reserve Fund Requirement”** means (a) when used with respect to or in connection with the Series 2003 Bonds, any other Series of Bonds secured by the Debt Service Reserve Fund maintained for the Series 2003 Bonds or such 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 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; and (b) when used with

respect to any other Series of Bonds or the Debt Service Reserve Fund, if any, maintained for such Bonds, such amount as shall be established in the Supplemental Trust Agreement authorizing the issuance of such Bonds.

**“Department”** means Maryland Department of Transportation, an agency of the State of Maryland, and its successors and assigns.

**“Designated Office”** means (a) when used with respect to the Trustee or any Registrar and Paying Agent, the corporate trust office designated in writing as such by the Trustee or such Registrar and Paying Agent, respectively, and (b) when used with respect to any Credit Facility Provider, the office of such Credit Facility Provider at which demands for payment under the Credit Facility must be made.

**“Enabling Legislation”** means Sections 4-101 through 4-405 of the Transportation Article of the Annotated Code of Maryland, as amended, and any other provision of law authorizing the issuance of bonds, notes or other evidences of obligation of the Authority, and all future acts supplemental to or amendatory of any of the foregoing.

**“Engineer”** means an individual or firm of engineers registered in the State (who may be, without limitation, an employee of the Authority, the Department, the MAA or the State or any agency or political subdivision thereof) designated and retained by the Authority to perform the activities required by this Trust Agreement to be performed by the Engineer.

**“Event of Default”** means any event of default specified in Section 7.01.

**“FAA”** means the Federal Aviation Administration, its successors and assigns.

**“Facilities”** means the Airport Facilities Projects and any Additional Facilities.

**“Favorable Opinion of Bond Counsel”** means, when used with respect to or in connection with any action, a written opinion of Bond Counsel to the effect that such action will not adversely affect the excludability from gross income of interest paid on any Tax-Exempt Bond for federal income tax purposes.

**“Financing Agreement”** means the Agreement on Financing Airport Facilities Project at Baltimore/Washington International Airport dated as of December 1, 2003 between the Authority and the MAA.

**“Fitch”** means Fitch Ratings and its successor and assigns.

**“Fixed Rate”** means the fixed rate or rates of interest borne by the Bonds, determined in accordance with Section 2.03(c).

**“Fixed Rate Date”** means the first day of each Fixed Rate Period.

**“Fixed Rate Period”** means a period during which the Bonds bear interest at a Fixed Rate.



**“Generally Accepted Accounting Principles”** means generally accepted accounting principles in the United States of America applicable in the preparation of financial statements of governmental units, as promulgated by the Governmental Accounting Standards Board or such other body as shall be recognized as authoritative by the American Institute of Certified Public Accountants or any successor body (as such principles may change from time to time), applied on a consistent basis (except for changes in application in which the Independent Public Accountant concurs) applied both to classification of items and amounts.

**“Government Obligations”** means direct obligations of, or obligations that are unconditionally guaranteed by, the United States of America, including (without limitation) obligations of Resolution Funding Corporation.

**“Holder”** or **“holder”** or **“Bondholder”** or any similar term means the registered owner of any Bond.

**“Indebtedness”** means any indebtedness or liability for borrowed money, any installment sale obligation or any obligation under any lease that is capitalized under Generally Accepted Accounting Principles, to the extent that any of the foregoing is payable from the Pledged Revenues.

**“Independent Consultant”** means an independent consulting firm having a favorable reputation for skill and experience with respect to the design, construction and operation of transportation facilities or the determination of the economic feasibility of such facilities, designated and retained by the Authority to perform the activities required by this Trust Agreement to be performed by the Independent Consultant.

**“Independent Public Accountant”** means an individual, partnership or corporation engaged in the accounting profession, either entitled to practice, or having members or officers entitled to practice, as a certified public accountant under the laws of the State and in fact independent, employed by the Authority from time to time to pass upon those matters required by this Trust Agreement to be passed upon by an Independent Public Accountant. The firm of Ernst & Young is recognized as constituting the Independent Public Accountant, subject to further action by the Authority.

**“Index”** means, as of any date of determination (a) the BMA Municipal Swap Index or (b) if such rate is not published by 9:00 a.m. on such date of determination, the interest index selected by the Market Agent with the approval of the Authority representing the weighted average of the yields on tax-exempt commercial paper, or tax-exempt bonds bearing interest at a commercial paper rate or pursuant to a commercial paper mode, having a range of maturities or mandatory purchase dates between 7 and 15 days traded during the immediately preceding five Business Days.

**“Interest Mode”** means the Auction Rate, the Daily Rate, the Weekly Rate and the Fixed Rate.

**“Interest Payment Date”** means (a) with respect to the Bonds (i) for any period during which such Bonds bear interest at the Auction Rate (A) for an Auction Period of 91 days or less, the Business Day immediately succeeding the last day of such Auction Period and (B) for an Auction Period of more than 91 days, each 13th Tuesday after the first day of such Auction Period and the Business Day

immediately succeeding the last day of such Auction Period or, if any such day is not a Business Day, the immediately succeeding Business Day; (ii) for any Variable Rate Period, the first Business Day of each month and each Mandatory Tender Date applicable to such Bonds; (iii) for any Fixed Rate Period of fewer than six months, the day following the last day of such Fixed Rate Period; (iv) for any Fixed Rate Period of six months or longer (other than any such Fixed Rate Period that is described in clause (v) below) applicable to such Bonds, the first day of the calendar month that is six months after the commencement of such Fixed Rate Period, the first day of each sixth calendar month thereafter and the day following the last day of such Fixed Rate Period; (v) for any Fixed Rate Period extending to the maturity date of such Bonds, each January 1 and July 1; and (vi) in any case, the maturity or redemption date of the Series 2003 Bonds; (b) in the case of any Additional Bonds, the dates prescribed by the Supplemental Trust Agreement authorizing the issuance thereof; and (c) as to any Credit Facility Bonds, the dates on which interest is required to be paid on such Bonds as provided in the related Credit Facility Agreement.

**“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 Authority and MAA.

**“MAA”** means Maryland Aviation Administration, an agency of the State of Maryland, and its successors and assigns.

**“Mandatory Tender Date”** means (a) each Conversion Date (b) any Termination Date applicable to such Bonds and (c) any Business Day selected by the Authority upon not less than 30 days’ notice to the Trustee (or such fewer number of days as shall be acceptable to the Trustee), *provided* that (i) if an Auction Rate Period is then in effect with respect to such Bonds, such day is the last Interest Payment Date during an Auction Period and (ii) if a Fixed Rate Period is then in effect with respect to such Bonds, such day is a day on which such Bonds are subject to redemption at the option of the Authority.

**“Mandatory Tender Notice”** means a notice of a Mandatory Tender Date given by the Registrar and Paying Agent in accordance with this Trust Agreement.

**“Market Agent”** means any Market Agent appointed pursuant to Section 6.16 of this Trust Agreement, and their successors and assigns.

**“Market Agent Agreement”** means each agreement among a Market Agent, the Auction Agent and the Authority pursuant to which a Market Agent, among other things, agrees to participate in Auctions in accordance with this Trust Agreement.

**“Maximum Annual Debt Service”** means, when used with reference to any Bonds for any Bond Year, as of any particular date of computation, the greatest amount required in the then-current or any future Bond Year to pay the Debt Service Requirements of such Bonds.

**“Maximum Rate”** means when used with respect to the Credit Facility Bonds, the maximum rate which may be borne by Credit Facility Bonds under the related Credit Facility Agreement and

when used with respect to the Bonds (a) during an Auction Rate Period, as of any date of determination (i) with respect to a Standard Auction Period, the interest rate per annum equal to the lesser of (A) 15% and (B) the Applicable Percentage of the greater of (1) the After-Tax Equivalent Rate as of such date with respect to such Standard Auction Period and (2) the Index as of such date, (ii) with respect to an Auction Period that is not of the same duration as the Auction Period then ending, the interest rate per annum equal to the lesser of (A) 15% and (B) the greatest of (1) the After-Tax Equivalent Rate as of such date with respect to a Standard Auction Period, (2) the Applicable Percentage of the After-Tax Equivalent Rate as of such date with respect to the Auction Period, if any, which is proposed to be established, (3) the Applicable Percentage of the After-Tax Equivalent Rate as of such date with respect to the Auction Period then ending, and (4) the Applicable Percentage of the Index on such date; and (b) during any Variable Rate Period, the lesser of (i) fifteen percent (15%) per annum and (ii) the Maximum Rate set forth under any Credit Facility Agreement for any Credit Facility securing such Bonds; or, in each case, such other rate as shall be established by the Authority in accordance with this Trust Agreement.

**“Minimum Rate”** means, as of any date of determination, the interest rate per annum equal to the least of (a) 15%; (b) 90% (as such percentage may be adjusted pursuant to Appendix C) of the After-Tax Equivalent Rate on such date; and (c) 90% (as such percentage may be increased pursuant to Appendix C ) of the Index on such date; or, in each case, such other rate as shall be established by the Authority in accordance with this Trust Agreement.

**“Moody’s”** means Moody’s Investors Service, Inc. and its successors and assigns.

**“Optional Tender Date”** means, with respect to any Bond, a date on which such Bond is required to be purchased upon the demand of the holder thereof in accordance with this Trust Agreement.

**“Optional Tender Debt”** means any Indebtedness that is subject to optional or mandatory tender by the holder thereof (including, without limitation, any mandatory tender in connection with the expiration of any Credit Facility securing such Indebtedness or any conversion of the interest rate on such Indebtedness) for purchase or redemption prior to the stated maturity date thereof if the purchase or redemption price of such Indebtedness is under any circumstances payable from the Trust Estate.

**“Optional Tender Notice”** means, with respect to any Bonds, an irrevocable notice given to the Remarketing Agent by the holder of such Bond in accordance with this Trust Agreement of such holder's election to tender such Bond for purchase.

**“Outstanding”** or **“outstanding”** means, (a) when used with reference to Bonds as of any particular date, all Bonds authenticated and delivered under this Trust Agreement except (i) any Bond cancelled by the Registrar and Paying Agent or the Trustee (or delivered to the Registrar and Paying Agent or the Trustee for cancellation) at or before such date, (ii) any Bond for the payment of the principal or Redemption Price of and interest on which provision shall have been made as provided in Section 9.01 and (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to Article II, Article III or Section 8.04; and (b) when used with

reference to any other Indebtedness, all Indebtedness theretofore issued or incurred other than any such Indebtedness that is deemed to have been paid and discharged under Generally Accepted Accounting Principles and that is not secured by the Pledged Revenues.

**“Participant,”** when used with respect to any Securities Depository, means any participant of such Securities Depository.

**“Permitted Investment”** means each of the following investments to the extent that the amounts to be invested therein are then permitted to be invested in such investments under Applicable Law:

(a) Government Obligations;

(b) Agency Obligations;

(c) interest bearing time deposits, certificates of deposit or similar arrangements (“Deposits”) with any commercial bank, trust company or savings and loan association (including, without limitation, the Trustee), *provided* that, to the extent such Deposits are not fully insured by the Federal Deposit Insurance Corporation, the outstanding unsecured long-term indebtedness of such commercial bank, trust company or savings and loan association (or its holding company) is rated by a Rating Agency in one of its two highest Rating Categories, and such Deposits are continuously secured by lodging with a bank or trust company, as collateral security, obligations described in clause (a), (b), (e) or (f) below, having a market value, calculated no less frequently than weekly, not less than 102% of the amount of such Deposit;

(d) repurchase agreements provided by financial institutions the outstanding unsecured long-term indebtedness of which is rated by a Rating Agency in one of the two highest Rating Categories for obligations described in clause (a) or (b) above, *provided* that (i) such obligations shall be (A) delivered to the Authority or the Trustee (as the case may be) or supported by a safekeeping receipt issued by a depository satisfactory to the Authority or the Trustee (as the case may be) if issued in certificated form, or (B) supported by a receipt or other confirmatory documentation satisfactory to the Authority or the Trustee (as the case may be) if issued in book-entry form, (ii) the Authority or the Trustee (as the case may be) shall have a perfected security interest in such obligations, (iii) such obligations shall be free and clear of any other liens or encumbrances, and (iv) such repurchase agreements shall provide that the value of the underlying obligations shall be continuously maintained at a current market value, calculated no less frequently than weekly, of not less than 102% of the purchase price;

(e) obligations issued by or on behalf of any state of the United States of America or any political subdivision thereof for the payment of the principal or redemption price of and interest on which there shall have been irrevocably deposited Government Obligations maturing as to principal and interest at times and in amounts sufficient to provide such payment;

(f) any other obligations issued by or on behalf of any state of the United States of America or any political subdivision thereof, *provided* that such obligations, or other obligations of the

issuer thereof of comparable maturities that are secured equally and ratably with such obligations, shall be rated by a Rating Agency in one of its two highest long-term Rating Categories;

(g) banker's acceptances issued by any commercial bank, trust company or savings and loan association (including, without limitation, the Trustee), the outstanding unsecured long-term indebtedness of which is rated by a Rating Agency in one of its two highest Rating Categories;

(h) commercial paper or finance company paper rated by a Rating Agency in its highest Rating Category;

(i) investment agreements, including (without limitation), forward purchase agreements pursuant to which the Trustee agrees to purchase securities of the type described in clause (a), (b), (e), (f) or (h) above, *provided* that (i) the outstanding unsecured long-term indebtedness of the provider thereof (or of its holding company) is rated by a Rating Agency in one of its two highest Rating Categories, (ii) such agreements are continuously secured by obligations described in clause (a), (b), (e), (f) or (h) above, (iii) the Authority or the Trustee (as the case may be) shall have a perfected security interest in or shall be the absolute owner of such obligations, (iv) such obligations shall be free and clear of any other liens or encumbrances, and (v) such investment agreements shall provide that the value of the underlying obligations shall be maintained at a current market value, calculated no less frequently than weekly, of not less than 102% of the amount deposited thereunder;

(j) shares in investment companies that invest only in obligations described in clauses (a), (b), (c), (d), (e), (f), (g), (h) and (i) above (including any proprietary mutual fund, money market fund or short term investment fund maintained by the Trustee and for which the Trustee or an affiliate is investment advisor, or provides other services, and receives reasonable compensation for such services); and

(k) with respect to investments held in any fund or account created by this Trust Agreement solely for Bonds of a Series secured by a Credit Facility, such other investments as shall be approved in writing by the Credit Facility Provider with respect to such Bonds.

**"PFC"** means a passenger facility charge approved by the FAA to be imposed at BWI Airport.

**"Pledged Revenues"** means (a) all PFCs in an amount up to \$4.50 assessed to eligible passengers enplaning at BWI Airport on July 1, 2004 and thereafter payable to the MAA, (b) any additional PFCs which may be pledged by the Authority hereunder as part of the Trust Estate pursuant to a Supplemental Trust Agreement, (c) interest earnings on the funds and accounts created hereby, (d) all amounts payable to or for the benefit of the Authority or the Trustee pursuant to any Qualified Hedging Transaction, and (e) all rights to receive the same and the proceeds of such rights, whether now existing or hereafter coming into existence.

**"Purchase Price"** means an amount equal to 100% of the principal amount of any Bond tendered or deemed tendered pursuant to Section 3.05(a) and (b) of this Trust Agreement, plus in the case of purchase pursuant to Section 3.05(a) of this Trust Agreement on a day other than an Interest Payment Date, accrued and unpaid interest thereon to the date of purchase.

**“Qualified Hedging Transaction”** means any rate swap transaction, basis swap transaction, cap transaction, floor transaction, collar transaction or other hedging arrangement, which is intended to convert or limit the interest rate payable with respect to any Bonds, and which (a) is designated in writing to the Trustee by the Authority as a Qualified Hedging Transaction related to all or part of one or more Series of Bonds; (b) is with a Qualified Hedge Provider and (c) has a term not greater than the term of the designated Bonds or a specified date for mandatory tender or redemption of such designated Bonds.

**“Qualified Hedge Provider”** means a financial institution whose senior long-term debt obligations are rated by a Rating Agency in one of the two highest Rating Categories, or whose obligations under any Qualified Hedging Transaction are guaranteed by a financial institution, whose senior long-term debt obligations, are rated at in one of the two highest Rating Categories by a Rating Agency.

**“Rating Agency”** means Fitch, Moody’s, S&P or any other securities rating agency that, at the request of the Authority, shall have assigned a rating that is then in effect with respect to any Bonds, and their successors and assigns, and **“Rating Agencies”** means each such Rating Agency, collectively.

**“Rating Category”** means one of the general rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

**“Redemption Price”** means, when used with respect to any Bond or portion thereof, the principal amount of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to this Trust Agreement.

**“Registrar and Paying Agent”** means the Trustee, except as otherwise provided in any Supplemental Trust Agreement.

**“Remarketing Agent”** means UBS Financial Services Inc., and any successor remarketing agent appointed pursuant to the Trust Agreement, and their successors and assigns.

**“Securities Depository”** means The Depository Trust Company, a corporation organized and existing under the laws of the State of New York, and any other securities depository for the Bonds appointed pursuant to Section 2.10, and their successors.

**“Series”** means any series of Bonds authorized by this Trust Agreement.

**“Series 2003 Bonds”** means the Series 2003A Bonds and the Series 2003B Bonds, collectively.

**“Series 2003A Bonds”** means the Maryland Transportation Authority Variable Rate Passenger Facility Charge Revenue Bonds, Baltimore/Washington International Airport Facility Projects, Series 2003A (Governmental Purpose Bonds).

**“Series 2003B Bonds”** means the Maryland Transportation Authority Variable Rate Passenger Facility Charge Revenue Bonds, Baltimore/Washington International Airport Facility Projects, Series 2003B (Qualified Airport Bonds - AMT).

**“Sinking Fund Installment”** means the amount of money provided in this Trust Agreement, and in each Supplemental Trust Agreement authorizing any Series of Additional Bonds, to redeem Bonds of such Series at the times and in the amounts provided in this Trust Agreement or such Supplemental Trust Agreement (as the case may be).

**“S&P”** means Standard & Poor's Ratings Services and its successors and assigns.

**“Standard Auction Period”** initially means the Auction Period established after conversion of the Series 2003 Bonds to an Auction Rate and such other period as shall be established pursuant to Section 2 of Appendix C.

**“Submission Deadline”** means 1:00 p.m. on any Auction Date or such other time on any Auction Date by which Brokers-Dealers are required to submit Orders to the Auction Agent as specified by the Auction Agent from time to time.

**“State”** means the State of Maryland.

**“Supplemental Trust Agreement”** means any instrument between the Authority and the Trustee amending, modifying or supplementing this Trust Agreement, any Supplemental Trust Agreement or any Bond, delivered and becoming effective in accordance with the terms of this Trust Agreement.

**“Tax-Exempt Bond”** means any Series 2003 Bond and any other Bond with respect to which there shall have been delivered to the Authority an opinion of Bond Counsel to the effect that the interest on such Bond is excludable from gross income for federal income tax purposes.

**“Tender Date”** means an Optional Tender Date or a Mandatory Tender Date.

**“Term Bonds”** means the Bonds of any Series, other than Serial Bonds, payable prior to or at their stated maturity from Sinking Fund Installments deposited in the Sinking Fund Account.

**“Termination Date”** means, when used with respect to any Series 2003 Bonds (a) the day that is a Business Day not later than five days prior to (i) the stated expiration date of the Credit Facility securing such Bonds, (ii) the termination date of the Credit Facility securing such Bonds pursuant to notice from the Credit Facility Provider of its intention not to reinstate the Credit Facility, (iii) the date of termination of the Credit Facility securing such Bonds pursuant to notice from the Credit Facility Provider of an event of default under the related Credit Facility Agreement and (b) the effective date of each Alternate Credit Facility securing such Bonds.

**“Trust Agreement”** means this Trust Agreement, as amended, modified or supplemented from time to time by Supplemental Trust Agreements.

**“Trust Estate”** means all property, rights and other assets that from time to time may be pledged and assigned to the Trustee under the Granting Clauses of this Trust Agreement.

**“Trustee”** means Manufacturers and Traders Trust Company, a banking corporation organized and existing under the laws of the State of New York and any other corporation that may at any time be substituted in its place pursuant to this Trust Agreement, and their successors.

**“Variable Rate”** means the Daily Rate or the Weekly Rate.

**“Variable Rate Period”** means each period during which the Series 2003 Bonds bear interest at a Variable Rate.

**“Variable Rate Indebtedness”** means, as of any particular date, any Indebtedness the interest rate on which is not established at a fixed rate or rates for the remaining term thereof.

**“Weekly Rate”** means the interest rate determined for the Bonds pursuant to Section 2.03(a).

**“Weekly Rate Period”** means the period during which the Bonds bear interest at the Weekly Rate.

**“2003 Credit Facility”** means the irrevocable, direct pay letter of credit dated the date of delivery of the Series 2003 Bonds issued by State Street Bank and Trust Company, N.A. pursuant to the 2003 Credit Facility Agreement and any Alternate Credit Facility delivered in substitution therefor.

**“2003 Credit Facility Agreement”** means the Letter of Credit Reimbursement Agreement dated as of December 1, 2003 between the Authority and State Street Bank and Trust Company, N.A. and any other agreement pursuant to which any 2003 Credit Facility is issued.

**“2003 Credit Facility Provider”** means State Street Bank and Trust Company, N.A. and the issuer of any other 2003 Credit Facility then in effect, and their successors and assigns, and upon the delivery of an Alternate Credit Facility in substitution therefor, the Credit Facility Provider of such Alternate Credit Facility.

#### **Section 1.02. Rules of Construction.**

Unless the context clearly indicates to the contrary, the following rules apply to the construction of this Trust Agreement:

(a) Words importing the singular number include the plural number and words importing the plural number include the singular number.

(b) Words of the masculine gender include correlative words of the feminine and neuter genders.



(c) The table of contents and the headings or captions used in this Trust Agreement are for convenience of reference and do not constitute a part of this Trust Agreement, nor affect its meaning, construction or effect.

(d) Words importing persons include any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(e) Any reference to a particular percentage or proportion of the Holders of Bonds shall mean the Holders at the particular time of the specified percentage or proportion in aggregate principal amount of all Bonds then Outstanding under this Trust Agreement.

(f) Any reference to the Bond Fund, the PFC Revenue Fund, the Construction Fund, the Debt Service Reserve Fund, the Redemption Fund, the Facility Improvements Fund, 2003 Credit Facility Proceeds Fund or the Rebate Fund shall be to the fund or account so designated that is created under Section 4.01. If any Supplemental Trust Agreement provides for the establishment of separate funds and accounts for any Series of Bonds, then any provision of this Trust Agreement requiring or permitting the application of amounts on deposit in any fund or account to the payment of any Bond or the transfer of amounts on deposit in any fund or account maintained for any Bonds to any other fund or account shall refer to the fund or account maintained for Bonds of the Series of which such Bond is a part.

(g) Any reference in this Trust Agreement to a particular "Article," "Section" or other subdivision shall be to such Article, Section or subdivision of this Trust Agreement unless the context shall otherwise require.

(h) Each reference in this Trust Agreement to an agreement or contract shall include all amendments, modifications and supplements to such agreement or contract unless the context shall otherwise require.

(i) During any period in which no Credit Facility is in effect and all amounts payable to each Credit Facility Provider, if any, have been paid, the provisions of this Trust Agreement that relate to the Credit Facility and the Credit Facility Provider shall be of no force and effect. Any provision of this Trust Agreement requiring the consent or direction of any Credit Facility Provider shall be of no force and effect during any period in which any Credit Facility Default with respect to such Credit Facility Provider shall be continuing.

(j) During any Auction Rate Period applicable to any Bonds, the provisions of this Trust Agreement that relate to the Remarketing Agent with respect such Bonds shall be of no force and effect. During a Variable Rate Period or Fixed Rate Period applicable to any Bonds, the provisions of this Trust Agreement that relate to the Auction Agent, the Market Agent and the Broker-Dealers with respect to such Bonds shall be of no force and effect.

(k) Any reference to any particular time of day shall be to such time of day in Baltimore, Maryland, unless the context shall otherwise require.

## **ARTICLE II**

### **AUTHORIZATION AND DETAILS OF THE SERIES 2003 BONDS; ADDITIONAL BONDS**

#### **Section 2.01. Bonds Authorized.**

There is hereby authorized the issuance under this Trust Agreement of two Series of Bonds, the first series in the aggregate principal amount of Sixty Four Million Two Hundred Thousand Dollars (\$64,100,000), which shall be designated "Maryland Transportation Authority Variable Rate Passenger Facility Charge Revenue Bonds, Baltimore/Washington International Airport Facility Projects, Series 2003A (Governmental Purpose Bonds), and the second series in the aggregate principal amount of Five Million Seven Hundred Thousand Dollars (\$5,600,000), which shall be designated "Maryland Transportation Authority Variable Rate Passenger Facility Charge Revenue Bonds, Baltimore/Washington International Airport, Series 2003B (Qualified Airport Bonds-AMT)." The aggregate principal amount of Bonds that may be issued under this Trust Agreement is not limited except as provided by this Trust Agreement.

#### **Section 2.02. Details of Bonds.**

The Series 2003 Bonds shall be issued as fully registered bonds without coupons. The Series 2003 Bonds initially shall bear interest at the Weekly Rate, but shall be convertible to a Daily Rate, to an Auction Rate or a Fixed Rate as provided in this Section. The Series 2003A Bonds shall mature on July 1, 2013 and the Series 2003B Bonds shall mature on July 1, 2007. The Series 2003 Bonds shall be subject to mandatory and optional redemption prior to maturity as provided in Section 3.04 and shall otherwise have the terms, tenor, denominations, details and specifications as set forth in the form of Series 2003 Bond set forth in Appendix B and the further provisions of this Trust Agreement.

The Series 2003 Bonds shall be substantially in the form set forth in Appendix B attached hereto and made a part hereof, 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 2003A Bond and form of Series 2003B Bond set forth in Appendix B and all of the covenants and conditions set forth therein, as and for the form of the obligations to be incurred by the Authority as the Series 2003 Bonds. The covenants and conditions set forth in the form of each series of the Series 2003 Bonds are incorporated into this Trust Agreement by reference and shall be binding upon the Authority as though set forth in full herein.

In addition to changes otherwise permitted by this Trust Agreement, if at any time the Remarketing Agent or the Market Agent, in its reasonable judgment, determines that the terms of the Bonds in any Interest Mode other than a Fixed Rate Period extending to the maturity of the Bonds have become inappropriate (taking into account general market practice with respect to adjustable rate bonds comparable to the Bonds), the Authority may change such terms by (a) setting a Mandatory Tender Date and instructing the Trustee to give notice to the holders of the Bonds of such Mandatory Tender

Date pursuant to the provisions of Section 3.05 and (b) delivering to the Trustee (i) a Notice setting forth the change, (ii) a Favorable Opinion of Bond Counsel and (iii) if a Credit Facility is then in effect with respect to such Bonds, the prior written consent of the related Credit Facility Provider and evidence satisfactory to the Trustee that such change will not adversely affect the ability of the Trustee to realize thereunder amounts sufficient to pay the principal of and interest on, and the Purchase Price of, such Bonds when due. Notwithstanding the foregoing, no change in the terms of any Bond pursuant to this Section shall become effective with respect to any Bond unless (i) at least 20 days' Notice of such change has been given to the holder of such Bond, (ii) the effective date of such change is not earlier than the immediately succeeding Auction Date or Tender Date applicable to such Bond (including any date that may constitute a Tender Date upon the election of the holder of such Bond), and (iii) if such change is effective during an Auction Rate Period then in effect, Sufficient Clearing Bids exist at the Auction immediately preceding the effective date of such change. The Trustee shall give Notice to the Auction Agent, the Market Agent, the Securities Depository, the Registrar and Paying Agent, the Remarketing Agent, each of the Rating Agencies and the Credit Facility Provider of any Credit Facility then in effect of any change in the terms of the Bonds promptly upon its receipt of the items referred to in this paragraph.

Additional Bonds shall have the terms, tenor, details and specifications and shall be in such form as shall be provided in the Supplemental Trust Agreement authorizing such Additional Bonds.

The Bonds may contain, or have endorsed thereon, any notations, legends or endorsements not inconsistent with the provisions of this Trust Agreement or of any Supplemental Trust Agreement authorizing the same as may be necessary or desirable and as may be determined by the officers of the Authority executing the same prior to the execution and delivery of such Bonds. The execution and delivery of any Bonds by the Authority in accordance with this Trust Agreement shall be conclusive evidence of the approval of the form of such Bonds by the Authority, including any insertions, omissions, variations, notations, legends or endorsements authorized by this Trust Agreement.

Bonds shall be numbered in the manner determined by the Registrar and Paying Agent. Before authenticating and delivering any Bond, the Registrar and Paying Agent shall complete the form of such Bond.

Bonds may have attached thereto or printed on the reverse side thereof the opinion of Bond Counsel for such Bonds. The printing of CUSIP numbers on Bonds shall have no legal effect and shall not affect the enforceability of any Bond.

### **Section 2.03. Interest on the Series 2003 Bonds.**

(a) Weekly Rate.

The Series 2003 Bonds will initially bear interest at the Weekly Rate. The initial Weekly Rate for the Series 2003A Bonds shall be one and one-tenths percent (1.10%) per annum. The initial Weekly Rate for the Series 2003B Bonds shall be one and fifteen hundredths percent (1.15%) per annum. The Series 2003 Bonds shall bear interest at the initial Weekly Rate from and including the

date of initial authentication and delivery thereof to, and including, December 24, 2003. The Weekly Rate shall be determined thereafter by the Remarketing Agent on each Calculation Date and shall be equal to the lower of (i) the Maximum Rate and (ii) the minimum rate that, in the judgment of the Remarketing Agent, taking into account prevailing market conditions, would enable the Remarketing Agent to sell all of the Bonds bearing interest at the Weekly Rate on the Adjustment Date immediately succeeding such Calculation Date at a price equal to the principal amount thereof, plus accrued interest, if any, thereon. The Weekly Rate so determined shall be effective from and including such Adjustment Date to, but excluding, the earlier of (A) the immediately succeeding Adjustment Date, and (B) the immediately succeeding Mandatory Tender Date applicable to such Bonds. During any period in which Bonds bear interest at the Weekly Rate, interest will be computed on the basis of the actual number of days elapsed over a year of 365 days (366 days in leap years).

(b) Daily Rate.

During each Daily Rate Period applicable to the Bonds, such Bonds shall bear interest at the Daily Rate from and including the Conversion Date to, but excluding, the next following Conversion Date. The Daily Rate shall be determined by the Remarketing Agent on each Adjustment Date and shall be equal to the lower of (i) the Maximum Rate and (ii) the minimum rate that, in the judgment of the Remarketing Agent, taking into account prevailing market conditions, would enable the Remarketing Agent to sell all of the Bonds bearing interest at the Daily Rate on such Adjustment Date at a price equal to the principal amount thereof, plus accrued interest, if any, thereon. During any period in which the Bonds bear interest at the Daily Rate, interest will be computed on the basis of the actual number of days elapsed over a year of 365 days (366 days in leap years).

(c) Fixed Rate.

(i) Fixed Rate Periods established by the Authority may be of the same or different lengths. If, 45 days before the last day of any Fixed Rate Period for which a successor Fixed Rate Period has not been established in accordance with this Section, the Authority has not elected to change the Interest Mode applicable to any Bonds or to establish a new Fixed Rate Period for such Bonds, a new Fixed Rate Period shall be deemed to have been established having the same number of months as the Fixed Rate Period then ending if such Fixed Rate Period was shorter than 12 months and otherwise having 12 months (or such fewer number of months as shall remain until the maturity date of such Bonds), and a new Fixed Rate shall be determined as provided in this Section as if the Authority had elected to establish a new Fixed Rate Period, except that no Favorable Opinion of Bond Counsel shall be required.

(ii) The Fixed Rate borne by the Bonds during any Fixed Rate Period applicable to such Bonds shall be the interest rate determined by the Remarketing Agent on the Calculation Date for such Fixed Rate Period to be the minimum rate that, in the judgment of the Remarketing Agent, taking into account prevailing market conditions, would enable the Remarketing Agent to sell all of such Bonds on the first day of such Fixed Rate Period at a price equal to the principal amount thereof plus accrued interest, if any, thereon. If particular Bonds shall have been selected for redemption from particular Sinking Fund Installments for such Bonds in accordance with the further provisions of this Section, the Remarketing Agent may determine a different Fixed Rate for the Bonds to be redeemed

from each such Sinking Fund Installment. Each Fixed Rate determined by the Remarketing Agent for any Fixed Rate Period shall remain in effect from and including the Fixed Rate Date on which such Fixed Rate Period commences to and including the last day of such Fixed Rate Period. During any Fixed Rate Period of fewer than six months, the interest payable on the Bonds will be computed on the basis of the actual number of days elapsed over a year of 365 days (366 days in leap years) and during any Fixed Rate Period of six months or longer, the interest payable on such Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

(iii) If any Fixed Rate Period ends after the due date for the payment of any Sinking Fund Installment for the Bonds, upon the direction of the Authority, at least 35 days before the Fixed Rate Date on which such Fixed Rate Period begins, the Registrar and Paying Agent shall select particular Bonds in an aggregate principal amount equal to the amount of such Sinking Fund Installment to be redeemed from such Sinking Fund Installment.

(d) Auction Rate.

During each Auction Rate Period with respect to any Bonds, the interest rate borne by such Bonds shall be established in accordance with Appendix C.

(e) Change of Interest Mode and Fixed Rate Periods.

(i) The Authority may from time to time (A) change the Interest Mode applicable to all or any of the Bonds or (B) change the Fixed Rate Periods applicable to all or any of the Bonds, in each case by delivering to the Trustee (1) at least 30 days before the proposed Conversion Date (or such fewer number of days as shall be acceptable to the Trustee) Notice specifying (I) the Interest Mode then applicable to the Bonds the Interest Mode on which is to be changed, (II) the proposed change and (III) the Conversion Date and (2) on the Conversion Date, a Favorable Opinion of Bond Counsel. Notwithstanding the prior sentence, any change in Interest Mode shall apply to all, but not a portion, of the Series 2003 Bonds. The Trustee shall deliver copies of such notice and opinion upon receipt to the Registrar and Paying Agent, the Remarketing Agent, the Auction Agent, the Broker-Dealers, the Credit Facility Provider and each Rating Agency.

(ii) Each Conversion Date applicable to any Bonds shall be (A) the last Interest Payment Date with respect to an Auction Period if an Auction Rate Period is then applicable to such Bonds, (B) an Interest Payment Date with respect to a Daily Rate Period or a Weekly Rate Period if a Daily Rate or a Weekly Rate is then applicable to such Bonds and (C) a day on which such Bonds are subject to redemption at the option of the Authority if a Fixed Rate Period is then applicable to such Bonds.

(iii) If the Interest Mode applicable to the Bonds of any Series is to be changed, at least 20 days before each Conversion Date with respect to such Bonds, the Registrar and Paying Agent shall mail a Mandatory Tender Notice to each holder of such Bonds in accordance with this Section.

(iv) At any time prior to any Conversion Date, the Authority may rescind its election to change the Interest Mode or the Fixed Rate Periods applicable to any Bonds by Notice to the

Trustee. If the Authority rescinds its election to change the Interest Mode or the Fixed Rate Periods applicable to any Bonds, such Bonds shall continue in the same Interest Mode and, if a Fixed Rate Period is then in effect and no succeeding Fixed Rate Period shall have theretofore been established, a new Fixed Rate Period shall be established in accordance with paragraph (c) above. Upon receipt of such Notice, the Trustee shall immediately give notice of such rescission to the Remarketing Agent, the Auction Agent, the Broker-Dealer, the Credit Facility Provider, the Registrar and Paying Agent and each Rating Agency. Upon receipt of such notice of rescission from the Trustee, the Registrar and Paying Agent shall immediately give notice of such rescission to the holders of such Bonds.

(f) Notice of Interest Rates. On each Calculation Date, the Remarketing Agent shall give notice to the Authority, the Trustee, the Registrar and Paying Agent and the Credit Facility Provider of the interest rate or rates determined for the Bonds on such date by telephone, telex or other electronic transmission (promptly confirmed in writing in the case of any oral notice).

(g) Interest Rates Conclusive and Binding. The determination of the interest rates on the Bonds as provided in this Trust Agreement shall be conclusive and binding on the Holders of such Bonds, the Authority and the Trustee.

(h) Credit Facility Bonds. Credit Facility Bonds shall bear interest at such rates of interest as specified in the related Credit Facility Agreement. With the consent of the Credit Facility Provider, the Authority may amend the interest rate from time to time borne by Credit Facility Bonds by Notice to the Trustee if there is delivered to the Authority a Favorable Opinion of Bond Counsel.

(i) Change in Maximum Rate, Minimum Rate and Other Terms. The Authority may from time to time change the Maximum Rate or the Minimum Rate by delivering to the Trustee (i) a Notice setting forth the new Maximum Rate or Minimum Rate (as the case may be), (ii) a Favorable Opinion of Bond Counsel and (iii) in the case of any increase in the Maximum Rate, evidence satisfactory to the Trustee that the amount that can be realized under the Credit Facility then in effect, if any, for the payment of interest on the Bonds is equal to the number of days of interest on all Bonds outstanding that could be realized under the Credit Facility immediately prior to such change, calculated at the Maximum Rate after giving effect to such change, less, if any Credit Facility Bonds are then outstanding, the amount, if any, that will be restored to the amount available to be realized under such Credit Facility for the payment of interest on the Bonds on the date such Bonds cease to be Credit Facility Bonds. Notwithstanding the foregoing, no decrease in the Minimum Rate applicable to Bonds during an Auction Rate Period shall become effective unless not less than 35 days' Notice of such proposed decrease shall have been given to the holders of such Bonds and Sufficient Clearing Bids existed at both the Auction immediately preceding the date of delivery of such notice and the Auction immediately preceding the effective date of such decrease. The Trustee shall give Notice to the Auction Agent, the Market Agent, the Securities Depository, the Registrar and Paying Agent, the Remarketing Agent and each of the Rating Agencies of any change in the Maximum Rate promptly upon its receipt of the items referred to in this paragraph.

#### **Section 2.04. Conditions Precedent to Delivery of Series 2003 Bonds.**

The Series 2003 Bonds shall be executed by the Authority and delivered to the Registrar and Paying Agent, whereupon the Registrar and Paying Agent shall authenticate the Series 2003 Bonds and deliver the Series 2003 Bonds upon the order of the Authority, but only upon delivery to the Registrar and Paying Agent of a Certificate of the Trustee to the effect that the Trustee has received the purchase price of the Series 2003 Bonds and each of the following:

- (a) a counterpart of this Trust Agreement executed by the parties hereto;
- (b) a Certificate of the Authority directing the authentication and delivery of the Series 2003 Bonds, describing the Series 2003 Bonds to be authenticated and delivered, designating the purchasers to whom the Series 2003 Bonds are to be delivered, stating the purchase price of the Series 2003 Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the Authority; and
- (c) an Opinion of Bond Counsel to the effect that (i) this Trust Agreement has been duly authorized, executed and delivered by the Authority and constitutes the valid and binding obligation of the Authority; and (ii) the Authority is duly authorized and entitled to issue the Series 2003 Bonds and Series 2003 Bonds executed, authenticated and delivered as provided in this Trust Agreement have been duly and validly issued and constitute valid and binding limited obligations of the Authority.

#### **Section 2.05. Authorization of Additional Bonds; Conditions Precedent to Delivery of Additional Bonds.**

In addition to the Series 2003 Bonds, the Authority is hereby authorized to issue, from time to time, Additional Bonds under and secured by this Trust Agreement, subject to the conditions provided in this Section, for any purpose for which indebtedness may be incurred by the Authority under the Enabling Legislation, including (without limitation): (a) refinancing, refunding or advance refunding any Outstanding Indebtedness ("Refunding Purposes"), (b) obtaining funds to pay the Cost of completing the Airport Facilities Projects or any Additional Facilities ("Completion Purposes"), (c) obtaining funds necessary to pay the costs of land acquisition or improvements to any Facilities, including (without limitation) repairs, replacements or improvements required as a result of any casualty or taking or other extraordinary occurrence or to meet the requirements of Applicable Law ("Extraordinary Maintenance Purposes") or (d) obtaining funds to pay the Cost of any Additional Facilities. Additional Bonds may be issued to pay the costs incurred in connection with the issuance and sale of any Bonds, to establish reserves and to pay interest on any Bonds prior to and during acquisition and construction. The issuance of Additional Bonds shall be authorized by a Supplemental Trust Agreement.

Each Additional Bond shall be on a parity with, and shall be entitled to the same benefit and security of this Trust Agreement as the Series 2003 Bonds and any other Additional Bonds that may be issued from time to time, to the extent provided in this Section.

The Supplemental Trust Agreement authorizing the issuance of any Series of Additional Bonds shall specify the maturities and redemption provisions of such Additional Bonds, the form and denominations thereof and other details of such Additional Bonds. Without limiting the generality of the foregoing, Additional Bonds may constitute Variable Rate Indebtedness, Optional Tender Debt or Balloon Debt, as shall be determined by the Authority, in its discretion. The Authority may provide for the creation of a separate Bond Fund, Debt Service Reserve Fund or Redemption Fund and other funds and accounts for any Series of Additional Bonds, as shall be deemed advisable by the Authority.

The Supplemental Trust Agreement authorizing the issuance of any Additional Bonds shall provide for the deposit of Pledged Revenues in the Bond Fund and the Debt Service Reserve Fund, if any, maintained for such Bonds, which deposits shall be made not more frequently than monthly except to the extent required to pay the principal of and interest on such Bonds when due.

If any Supplemental Trust Agreement provides for the establishment of separate funds and accounts for any Series of Bonds, then such Supplemental Trust Agreement shall require that (i) the Pledged Revenues required to be deposited in the PFC Revenue Fund on any date shall be transferred and deposited *pro rata* among all of the Bond Funds on the basis of the principal of, the Sinking Fund Installments for and the interest on the Series of Bonds secured thereby required to be deposited in the Bond Fund for such Bonds on such date, and (ii) the Pledged Revenues required to be deposited in the Debt Service Reserve Fund on any date shall be allocated *pro rata* among all Debt Service Reserve Funds on the basis of the respective aggregate principal amounts of the Bonds Outstanding secured by such Debt Service Reserve Funds. Amounts on deposit in the funds and accounts created for particular Series of Bonds available for the payment of any Bonds shall be applied solely to the payment of the principal or Redemption Price of and interest on, or the Purchase Price of, the Bonds of such Series or to the reimbursement of the issuer of any Credit Facility securing such Bonds and shall not be available to satisfy the claims of Holders of Bonds of any other Series or the issuer of any Credit Facility securing any other Series of Bonds.

The Supplemental Trust Agreement authorizing the issuance of any Series of Additional Bonds may provide that any proceeds of such Additional Bonds and investment earnings thereon remaining after the completion of the Airport Facilities Projects or any Additional Facilities financed with the proceeds of such Additional Bonds shall be applied to the payment or redemption of such Series of Additional Bonds.

Any Supplemental Trust Agreement authorizing the issuance of Additional Bonds may provide that (i) such Series of Bonds shall be secured by the Debt Service Reserve Fund maintained for the Series 2003 Bonds, (ii) such Series of Additional Bonds shall not be secured by a Debt Service Reserve Fund, or (iii) such Additional Bonds shall be secured by a separate Debt Service Reserve Fund.



If any Supplemental Trust Agreement authorizing the issuance of any Series of Additional Bonds provides that such Additional Bonds shall be secured by the Debt Service Reserve Fund maintained for the Series 2003 Bonds, such Supplemental Trust Agreement shall provide for the deposit in such Debt Service Reserve Fund on the date of issuance of such Additional Bonds of the amount, if any, necessary to make the amount on deposit therein equal to the Debt Service Reserve Fund Requirement, after giving effect to the issuance of such Additional Bonds. Such Supplemental Trust Agreement may provide that the amount of any increase in the Debt Service Reserve Fund Requirement resulting from the issuance of such Additional Bonds shall be applied to the final payments of the principal or Redemption Price of such Additional Bonds.

If the Supplemental Trust Agreement authorizing the issuance of any Additional Bonds provides that such Series of Additional Bonds shall be secured by a separate Debt Service Reserve Fund, such Supplemental Trust Agreement shall (i) establish the amount of the Debt Service Reserve Fund Requirement for such Debt Service Reserve Fund, (ii) provide the period during which any deficiency shall be cured, (iii) contain provisions with respect to the issuance of any other Additional Bonds secured by such Debt Service Reserve Fund and (iv) provide such terms with respect to the valuation of such Debt Service Reserve Fund, the application of any earnings on or surpluses in such Debt Service Reserve Fund and any Credit Facilities held to the credit of such Debt Service Reserve Fund (which may be different from those prescribed herein) as the Authority shall deem appropriate, any other provision of this Trust Agreement to the contrary notwithstanding. If a separate Debt Service Reserve Fund is created for any Series of Bonds, the Debt Service Reserve Fund Requirement shall be calculated separately for each Series of Bonds for which a separate Debt Service Reserve Fund is maintained.

Additional Bonds shall be executed by the Authority and delivered to the Registrar and Paying Agent, whereupon the Registrar and Paying Agent shall authenticate and deliver such Additional Bonds upon the Order of the Authority, but only upon receipt by the Registrar and Paying Agent of a Certificate of the Trustee to the effect that the Trustee has received the purchase price of such Additional Bonds, if any, and each of the following:

- (i) the written consent of the MAA;
- (ii) a counterpart of the applicable Supplemental Trust Agreement authorizing such Additional Bonds, executed by the parties thereto;
- (iii) an Order of the Authority directing the authentication and delivery of such Additional Bonds, describing such Additional Bonds, designating the purchaser of such Additional Bonds, stating the purchase price of such Additional Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the Authority;
- (iv) an Opinion of Bond Counsel to the effect that (A) the Supplemental Trust Agreement authorizing such Additional Bonds has been duly authorized, executed and delivered by the Authority and constitutes the valid and binding obligation of the Authority; (B) the Authority is duly authorized and entitled to issue such Additional Bonds, and Additional Bonds executed, authenticated and delivered as provided in this Trust Agreement and such Supplemental Trust Agreement have been

duly and validly issued and constitute valid and binding limited obligations of the Authority; and (C) the issuance of such Additional Bonds will not adversely affect the excludability from gross income, for federal income tax purposes, of interest paid on any Tax-Exempt Bonds theretofore issued;

(v) a Certificate of the Authority to the effect that, upon the authentication and delivery of such Additional Bonds, no Event of Default shall exist under this Trust Agreement;

(vi) unless such Additional Bonds are issued or incurred for Refunding Purposes, the written approval of FAA for payment of the costs of such Additional Facilities with PFCs and to the issuance of Additional Bonds for such purpose;

(vii) unless such Additional Bonds are issued or incurred for Refunding Purposes, Completion Purposes or Extraordinary Maintenance Purposes and the items described below are furnished to the Trustee, a Certificate of the Authority to the effect that (A) 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, (B) during each of the five Bond Years immediately succeeding the later of the date of delivery of such Additional Bonds and the date to which interest on such Additional 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 Additional Bonds then to be issued and (C) if any Credit Facility is then in effect, the Authority has satisfied the requirements of the related Credit Facility Agreement regarding issuance of Additional Bonds; and

(viii) the amount, if any, required to make the amount on deposit in the Debt Service Reserve Funds equal the respective Debt Service Reserve Fund Requirements upon the issuance of such Additional Bonds.

If Additional Bonds are issued or incurred for Completion Purposes or Extraordinary Maintenance Purposes, the items required by paragraph (vii) need not be provided to the Trustee if, in lieu thereof, there shall be furnished to the Trustee (I) a Report of an Independent Consultant to the effect that the amount of the Pledged Revenues for each of the five full Bond Years following the date on which the proceeds of such Additional Bonds are expected to have been fully applied is projected to be not less than the Debt Service Requirements of all Outstanding Bonds as of the last day of each such Bond Year, and (II) a Report of an Engineer to the effect that the proceeds of such Additional Bonds do not exceed the amount necessary to accomplish the intended Completion Purpose or Extraordinary Maintenance Purpose, respectively.

If Additional Bonds are issued or incurred for Refunding Purposes, the items required by paragraph (vii) need not be provided to the Trustee if there shall be furnished to the Trustee a Certificate of the Authority to the effect that the Maximum Annual Debt Service on Outstanding Bonds, taking into account the issuance of such Additional Bonds to be refinanced or refunded, will not be increased by more than ten percent during the life of any then Outstanding Bonds that are not refinanced or refunded with proceeds of such Additional Bonds.

Additional Bonds may be authenticated, delivered and paid for in installments of less than the total authorized principal amount of a Series of Bonds from time to time as the Authority may direct in its written requests.

#### **Section 2.06. Execution and Authentication.**

The Bonds shall be executed in the name and on behalf of the Authority by the manual or facsimile signature of the Chairman of the Authority or one of the other Members of the Authority and sealed with its corporate seal (or a facsimile thereof), attested by the manual or facsimile signature of the Executive Secretary of the Authority or his delegate, *provided* that at least one of such signatures shall be a manual signature. In case any officer whose manual or facsimile signature appears on any Bond shall cease to be such officer before delivery of such Bond, such signature, nevertheless, shall be valid and sufficient for all purposes as if such officer had remained in office until such delivery, and the Authority may adopt and use for the execution of Bonds the manual or facsimile signature of any person who shall have been at the time the proper officer to execute such Bonds, notwithstanding the fact that such person may not have been such officer on the date of such Bonds or that such person may have ceased to be such officer at the time when such Bonds shall be actually authenticated and delivered.

No Bond shall be valid or obligatory for any purpose or entitled to any right or benefit hereunder unless there shall be endorsed on such Bond a certificate of authentication substantially in the form set forth in Appendix B or the Supplemental Trust Agreement authorizing the issuance of such Bond (as the case may be), duly executed by the Registrar and Paying Agent, and such certificate of the Registrar and Paying Agent upon any Bond executed on behalf of the Authority shall be conclusive evidence and the only evidence required that the Bond so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefits of this Trust Agreement. The certificate of authentication may be executed by any authorized signatory of the Registrar and Paying Agent.

#### **Section 2.07. Registration and Exchange of Bonds.**

The Bonds shall be negotiable instruments for all purposes and shall be transferable by delivery, subject only to the provisions for registration and registration of transfer endorsed on the Bonds.

The Authority shall cause books for registration and the registration of transfer of Bonds to be prepared. The registration books shall be kept by the Registrar and Paying Agent.

If any Bond is surrendered to the Registrar and Paying Agent at its Designated Office for transfer or exchange in accordance with the provisions of such Bond, the Authority shall execute and the Registrar and Paying Agent shall authenticate and deliver in exchange for such Bond a new Bond or Bonds of the same Series, in any Authorized Denomination, bearing interest at the same rate and having the same stated maturity date, in aggregate principal amount equal to the principal amount of the Bond so surrendered, upon reimbursement to the Authority or the Registrar and Paying Agent of an amount equal to any tax or other governmental charge required to be paid with respect to such exchange.

Neither the Authority nor the Registrar and Paying Agent shall be required to register the transfer of any Bond or make any such exchange of any Bond (other than the transfer of any Bond to any Credit Facility Provider) (a) during any Fixed Rate Period of longer than six months applicable to such Bond, during the 15 days preceding the date of mailing of any notice of redemption or purchase or (b) at any time (i) after a notice of the redemption or purchase of such Bond or any portion thereof has been mailed, (ii) prior to the Optional Tender Date for any Bond after an Optional Tender Notice with respect to such Bond has been received by the Remarketing Agent or (iii) prior to the Mandatory Tender Date after a Mandatory Tender Notice has been mailed, in each case unless the transferee acknowledges in writing to the satisfaction of the Registrar and Paying Agent the matters contained in such notice.

### **Section 2.08. Bonds Mutilated, Destroyed, Lost or Stolen.**

If any temporary or definitive Bond shall become mutilated or be destroyed, lost or stolen, the Authority in its discretion may execute, and upon its request the Registrar and Paying Agent shall authenticate and deliver, a new Bond in exchange for the mutilated Bond, or in lieu of and substitution for the Bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the Authority and to the Registrar and Paying Agent (i) evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's Bond and of the ownership thereof and (ii) in the case of any destroyed, lost or stolen Bond, such security or indemnity as may be required by them to save each of them harmless from all risks, however remote. Upon the issuance of any Bond upon such exchange or substitution, the Authority may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including (without limitation) counsel fees, of the Authority, the Trustee or the Registrar and Paying Agent.

If any Bond that has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, instead of issuing a Bond in exchange or substitution therefor, the Authority may pay or authorize the payment of such Bond (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the Authority and the Registrar and Paying Agent evidence to the satisfaction of the Authority and the Registrar and Paying Agent of the mutilation, destruction, loss or theft of such Bond and of the ownership thereof and, in the case of any destroyed, lost or stolen Bond, such security or indemnity as they may require to save them harmless.

Every Bond issued pursuant to the provisions of this Section in exchange or substitution for any Bond that is mutilated, destroyed, lost or stolen shall constitute an additional contractual obligation of the Authority, whether or not the destroyed, lost or stolen Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Bonds duly issued under this Trust Agreement. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

## **Section 2.09. Cancellation and Disposition of Bonds.**

All mutilated Bonds, all Bonds surrendered for exchange or transfer, all Bonds that have been paid at maturity or upon prior redemption and all Bonds surrendered to the Trustee or the Registrar and Paying Agent for cancellation or purchased by the Trustee with amounts on deposit in any Bond Fund or Redemption Fund shall be cancelled by the Trustee or the Registrar and Paying Agent (as the case may be) and disposed of in accordance with the procedures of the Trustee or the Registrar and Paying Agent (as the case may be) for the disposition of cancelled securities in effect as of the date of such disposition. The Trustee or the Registrar and Paying Agent (as the case may be), upon request, shall deliver to the Authority a certificate of any such disposition of any Bond, identifying the Bond so cancelled and disposed of.

## **Section 2.10. Book-Entry System.**

The provisions of this Section shall apply to the Bonds of each Series so long as such Bonds shall be maintained under a book-entry system with a Securities Depository, any other provisions of this Trust Agreement to the contrary notwithstanding.

(a) Payments Due on Bonds. The principal or Redemption Price of and interest on, and the Purchase Price of, the Bonds shall be payable to the Securities Depository, or registered assigns, as the registered owner of the Bonds, in same day funds on each date on which the principal or Redemption Price of or interest on, or the Purchase Price of, the Bonds is due as set forth in this Trust Agreement and in the Bonds. Such payments shall be made to the offices of the Securities Depository specified by the Securities Depository to the Authority and the Trustee in writing. Without notice to or the consent of the beneficial owners of the Bonds, the Authority and the Securities Depository may agree to make payments of principal and interest in a manner different from that set out herein. In such event, the Authority shall give the Trustee Notice thereof, and the Trustee shall make payments with respect to the Bonds in the manner specified in such notice as if set forth herein. Neither the Authority nor the Trustee shall have any obligation with respect to the transfer or crediting of the appropriate payments to Participants or the beneficial owners of the Bonds or their nominees.

(b) Redemption of Bonds. In the event that part but not all of any outstanding Bond is to be retired (by redemption, by purchase following any tender offer or otherwise), the Securities Depository, in its discretion (i) may request the Trustee to authenticate and deliver a new Bond in accordance with Section 3.03 upon presentation and surrender of such Bond to the Trustee or (ii) shall make appropriate notation on such Bond indicating the date and amount of each principal payment, *provided* that payment of the final principal amount of any Bond shall be made only upon presentation and surrender of such Bond to the Paying Agent.

(c) Securities Depository Deemed Owner. So long as the Securities Depository or its nominee is the registered owner of the Bonds, the Authority and the Trustee will recognize the Securities Depository or its nominee, respectively, as the holder of all of the Bonds for all purposes, including the payment of the principal or Redemption Price of and interest on, and the Purchase Price

of, the Bonds, as well as the giving of notices and any consent or direction required or permitted to be given to, or on behalf of, the holders of the Bonds under this Trust Agreement.

(d) Replacement of Securities Depository or Discontinuance of Book-Entry System. The Authority, in its discretion, at any time may replace any Securities Depository as the depository for the Bonds with another qualified securities depository or discontinue the maintenance of the Bonds under a book-entry system upon 30 days' notice to the Securities Depository (or such fewer number of days as shall be acceptable to such Securities Depository).

(e) Issuance of Replacement Bonds upon Discontinuance of Book-Entry System. If the Authority discontinues the maintenance of the Bonds under a book-entry system, the Authority will issue certificated Bonds directly to the Participants or, to the extent requested by any Participant, to the beneficial owners of Bonds as further described in this Section. The Authority shall make provisions to notify Participants and the beneficial owners of the Bonds, by mailing an appropriate notice to the Securities Depository, or by other means deemed appropriate by the Authority in its discretion, that it will issue certificated Bonds directly to the Participants or, to the extent requested by any Participant, to beneficial owners of Bonds as of a date set forth in such notice, which shall be a date at least 10 days after the date of mailing of such notice (or such fewer number of days as shall be acceptable to the Securities Depository).

In the event that certificated Bonds are to be issued to Participants or to beneficial owners of the Bonds, the Authority shall promptly have prepared Bonds of the same Series and maturities and bearing interest at the same rates registered in the names of the Participants as shown on the records of the Securities Depository provided to the Registrar and Paying Agent or, to the extent requested by any Participant, in the names of the beneficial owners of such Bonds shown on the records of such Participant provided to the Registrar and Paying Agent as of the date set forth in the notice delivered in accordance with this Section. The Authority, the Trustee and the Registrar and Paying Agent shall be entitled to rely conclusively on the records of the Securities Depository or any Participant as to the identity of Participants or beneficial owners of the Bonds for all purposes, including registration of certificated Bonds delivered pursuant to this Section.

(f) Issuance of Replacement Bonds upon Appointment of Replacement Depository. If the Authority replaces any Securities Depository as the depository for the Bonds of any Series with another qualified Securities Depository, the Authority will issue to the replacement Securities Depository Bonds of the same Series and maturities and bearing interest at the same rates registered in the name of such replacement Securities Depository.

(g) No Liability of Authority or Trustee. Each Securities Depository and the Participants and the beneficial owners of the Bonds, by their acceptance of the Bonds, agree that the Authority and the Trustee shall have no liability for the failure of any Securities Depository to perform its obligations to any Participant or any beneficial owner of any Bonds, nor shall the Authority or the Trustee be liable for the failure of any Participant or other nominee of any beneficial owner of any Bonds to perform any obligation that such Participant or other nominee may incur to any beneficial owner of the Bonds.

## ARTICLE III

### REDEMPTION AND PURCHASE OF BONDS

#### **Section 3.01. Payment of Redemption Price; Selection of Bonds to Be Redeemed or Purchased.**

The Redemption Price for the Series 2003 Bonds are payable solely from monies drawn for such purpose under the 2003 Credit Facility in accordance with Section 4.12.

If fewer than all of the Bonds shall be called for redemption or purchase, Credit Facility Bonds shall be redeemed or purchased prior to the redemption or purchase of any other Bonds. The Authority shall select the Series and maturities of any other Bonds and the Interest Mode applicable to such Bonds to be redeemed or purchased.

If fewer than all of the Bonds of a Series of any one maturity shall be called for redemption or purchase, the Registrar and Paying Agent shall select the particular Bonds or portions of Bonds to be redeemed or purchased by lot or in such other manner as the Registrar and Paying Agent in its discretion may deem proper, *provided* that (a) the portion of any Bond remaining outstanding after any such redemption or purchase shall be in a principal amount equal to an Authorized Denomination for such Bond and (b) in selecting Bonds for redemption or purchase, the Registrar and Paying Agent shall treat each Bond as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by the minimum Authorized Denomination for such Bond.

#### **Section 3.02. Notice of Redemption or Purchase.**

The Authority shall give written notice to the Trustee and the Registrar and Paying Agent of its election to redeem or purchase Bonds at least 10 days prior to the date on which the Registrar and Paying Agent is required to give notice of the redemption of such Bonds or such fewer number of days as shall be acceptable to the Trustee and the Registrar and Paying Agent. Upon receipt of such notice, the Registrar and Paying Agent shall give notice in the name of the Authority of the Authority's election to redeem or purchase such Bonds. Any notice of redemption or purchase may state that such redemption or purchase is conditioned upon any circumstance set forth in such notice.

At least 45 days before each date on which a Sinking Fund Installment for the Bonds of any Series becomes due, the Trustee shall direct the Registrar and Paying Agent to select Bonds subject to redemption from such Sinking Fund Installment to be redeemed on such date in an aggregate principal amount equal to the amount of such Sinking Fund Installment (as such Sinking Fund Installment may be reduced in accordance with Section 4.05(c)) and shall give notice in the name of the Authority of the redemption of such Bonds.

Each notice of redemption or purchase shall set forth (i) the maturities of the Bonds to be redeemed or purchased, (ii) the date fixed for redemption or purchase, (iii) the CUSIP numbers of the Bonds to be redeemed or purchased, (iv) the Redemption Price or Purchase Price to be paid, (v) that

such Bonds will be redeemed or purchased at the Designated Office of the Registrar and Paying Agent, (vi) if fewer than all of the Bonds of a Series of any one maturity then Outstanding shall be called for redemption or purchase, the distinctive numbers and letters, if any, of the Bonds to be redeemed or purchased, (vii) in the case of Bonds to be redeemed or purchased in part only, the portion of the principal amount thereof to be redeemed or purchased, (viii) that the redemption or purchase of Bonds described therein is conditioned upon receipt by the Trustee, on or before the date fixed for redemption or purchase, of sufficient funds to pay the Redemption Price or Purchase Price of the Bonds to be redeemed or purchased and any other conditions to such redemption or purchase, (ix) the provisions of this Trust Agreement or such Bonds (as the case may be) pursuant to which such redemption or purchase is to be effected, and (x) that on the redemption or purchase date, if all conditions to such redemption or purchase have been satisfied, there shall become due and payable upon all Bonds to be redeemed or purchased the Redemption Price or Purchase Price thereof, together with interest accrued to the date fixed for redemption or purchase, and that, from and after such date, interest thereon shall cease to accrue. If any Bond is to be redeemed or purchased in part only, the notice of redemption or purchase that relates to such Bond shall state also that on or after the date fixed for redemption or purchase, upon surrender of such Bond to the Registrar and Paying Agent at its Designated Office, a new Bond or Bonds of the same Series and maturity, bearing interest at the same rate, and of any Authorized Denomination, will be issued in aggregate principal amount equal to the portion of such Bond that is not redeemed or purchased.

Each notice of redemption or purchase with respect to any Bond shall comply with any regulation or release of the Securities Exchange Commission, the Municipal Securities Rulemaking Board or other governmental authority or body from time to time applicable to such Bond. The CUSIP numbers in such notices are provided solely for the convenience of the holders of the Bonds, and the Authority, the Trustee and the Registrar and Paying Agent shall not be liable for any damage or loss arising from incorrect, incomplete or missing CUSIP numbers.

Notwithstanding the giving of any notice of redemption or purchase as provided in this Section, if on any date fixed for the redemption or purchase of any Bonds (other than any redemption from the Sinking Fund Installments) there shall not be on deposit with the Trustee or the Registrar and Paying Agent sufficient funds for the payment of the Redemption Price or Purchase Price of such Bonds, such redemption or purchase shall be cancelled and the notice thereof rescinded, and the Trustee immediately shall give notice thereof to the holders of all of the Bonds so called for redemption or purchase.

### **Section 3.03. Redemption or Purchase of Portion of Bond.**

In case part, but not all, of an Outstanding Bond shall be selected for redemption or purchase, upon the presentation and surrender of such Bond to the Registrar and Paying Agent for payment of the principal amount thereof so called for redemption or purchase in accordance with such Bond, the Authority shall execute and the Registrar and Paying Agent shall authenticate and deliver to or upon the order of the Holder of such Bond or the Holder's attorney or legal representative, without charge therefor, upon the surrender of such Bond, a Bond or Bonds of the same Series and maturity, bearing



interest at the same rate and of any Authorized Denomination in aggregate principal amount equal to the portion of such Bond not redeemed or purchased.

#### **Section 3.04. Redemption or Purchase of Bonds.**

(a) Optional Redemption or Purchase.

(i) Outstanding Bonds are subject to redemption or purchase prior to maturity at the option of the Authority upon not less than 20 days' notice to the holders of such Bonds (A) during any Variable Rate Period, in whole or in part on any Business Day, (B) during an Auction Rate Period, in whole or in part on the Business Day immediately succeeding the last day of any Auction Period and (C) on any Mandatory Tender Date applicable to such Bonds, in each case at a price equal to the principal amount of the Bonds redeemed or purchased, plus accrued interest to the date fixed for redemption or purchase.

(ii) Outstanding Bonds are also subject to redemption or purchase prior to maturity, in whole or in part, at the option of the Authority during any Fixed Rate Period longer than one year applicable to such Bonds, upon not less than 30 days' notice to the holders of such Bonds on or after the Interest Payment Date next succeeding the date that is the earlier of (A) the tenth anniversary of the Fixed Rate Date for such Fixed Rate Period and (B) the anniversary of such Fixed Rate Date that approximates more closely than any other such anniversary date the date that occurs at the midpoint of such Fixed Rate Period, at any time, at a price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption or purchase, plus a premium (expressed as a percentage of the principal amount of such Bonds to be redeemed or purchased) that for the first redemption or purchase date is equal to the lesser of (1) two percent and (2) one-half of one percent (1/2%) times the number of years between the calendar year of such redemption or purchase date and the calendar year during which such Fixed Rate Period ends (including for purposes of computation the calendar year of such redemption or purchase date but excluding the calendar year during which such Fixed Rate Period ends) and that shall decline by one-half of one percent (1/2%) annually thereafter. The Authority may change the redemption or purchase provisions applicable to any Bonds during any Fixed Rate Period applicable to such Bonds prior to the first day of such Fixed Rate Period if there is delivered to the Authority a Favorable Opinion of Bond Counsel.

(iii) Outstanding Bonds are subject to redemption prior to maturity at the option of the Authority, at a price equal to the principal amount of the Bonds redeemed or purchased, plus accrued interest to the date fixed for redemption or purchase upon not less than 20 days' notice to the holders of the Bonds, in whole or in part on any Business Day in the event the Sufficiency Covenant is not satisfied and the Authority directs funds to be transferred from the Facility Improvements Fund to the Redemption Fund pursuant to Section 4.08(e) to redeem all or a portion of the outstanding Bonds. Upon such transfer, the Trustee shall cause Bonds to be so redeemed. If a Credit Facility is then in effect, the funds transferred from the Facility Improvements Funds to the Redemption Fund pursuant to Section 4.08(e) shall be used to reimburse the Credit Facility Provider for any draw under such Credit Facility then in effect.

(b) Mandatory Redemption.

(i) Sinking Fund Redemption. The Bonds are subject to mandatory redemption from the Sinking Fund Installments for such Bonds at a Redemption Price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the date set for redemption, without premium or penalty. The Sinking Fund Installments for the Series 2003 Bonds shall become due on the first Business Day of July of the following years in the following amounts:

<u>Year of Redemption</u>	Series 2003A Bonds <u>Principal Amount To Be Redeemed</u>
2007	<u>\$3,200,000</u>
2008	<u>9,100,000</u>
2009	<u>9,500,000</u>
2010	<u>9,900,000</u>
2011	<u>10,400,000</u>
2012	<u>10,800,000</u>
2013*	<u>11,200,000</u>

\* Final Maturity

<u>Year of Redemption</u>	Series 2003B Bonds <u>Principal Amount To Be Redeemed</u>
2007	<u>\$5,600,000</u>

(ii) Credit Facility Bond Redemption. In addition, Credit Facility Bonds shall be subject to mandatory redemption at such time as amounts drawn under the related Credit Facility to purchase such Bonds are required to be repaid as specified in the related Credit Facility Agreement.

**Section 3.05. Optional and Mandatory Tender of Bonds.**

(a) Optional Tender. The Authority will purchase or cause to be purchased [(but solely from remarketing proceeds and amounts realized under the Credit Facility)] any Bond or portion thereof (*provided* that the portion thereof to be purchased and the portion to be retained shall be in an Authorized Denomination), other than any Pledged Bond, during any Variable Rate Period applicable to such Bond at a price equal to the principal amount thereof plus accrued interest thereon upon:

(i) irrevocable written or telephonic notice from the owner of such Bond to the Remarketing Agent, promptly confirmed in writing in the case of any telephonic notice (each, an "Optional Tender Notice"), which notice shall set forth (A) the principal amount of such Bond or such

portion thereof to be purchased and (B) the date on which such Bond or such portion thereof is to be purchased (the "Optional Tender Date"), which shall be a Business Day and (1) during any Weekly Rate Period, a day not fewer than three Business Days after the date of receipt of such Optional Tender Notice by the Remarketing Agent if the Optional Tender Date is an Interest Payment Date, or seven calendar days after the date of receipt of such Optional Tender Notice by the Remarketing Agent in the case of any other Optional Tender Date and (2) during any Daily Rate Period, the same day of such Optional Tender Notice by the Remarketing Agent, which Optional Tender Notice must be received by the Remarketing Agent no later than 10:30 a.m.; and

(ii) delivery of such Bond (with an appropriate instrument of transfer satisfactory to the Registrar and Paying Agent executed in blank by the registered owner with the signature guaranteed by a bank, trust company or member firm of the New York Stock Exchange) to the Registrar and Paying Agent not later than 12:00 noon on the Optional Tender Date.

(b) Mandatory Tender. The Bonds (other than any Credit Facility Bonds) are subject to mandatory tender and purchase, and the Authority will purchase or cause to be purchased (but solely from remarketing proceeds and amounts realized under the Credit Facility) such Bonds on each Mandatory Tender Date applicable to such Bonds at a price equal to the principal amount thereof plus accrued interest, if any, thereon plus, in the case of the purchase of any Bonds during any Fixed Rate Period applicable to such Bonds, a premium equal to the premium, if any, that would be payable if such Bonds were redeemed at the option of the Authority on such Mandatory Tender Date. The Trustee shall not surrender any Credit Facility then in effect on any Mandatory Tender Date to the related Credit Facility Provider prior to the receipt of funds for the Purchase Price of the Bonds from a draw under such Credit Facility.

(c) Notice of Receipt of Optional Tender Notices; Mandatory Tender Notices.

(i) The Remarketing Agent shall give notice to the Authority, the Trustee, the Registrar and Paying Agent and the Credit Facility Provider by telephone, telex or other electronic transmission (confirmed in writing in the case of any oral notice) of each Optional Tender Notice with respect to any Bond received by the Remarketing Agent, which notice shall specify the principal amount of Bonds to be purchased and the Optional Tender Date. The Trustee shall give Notice to the Authority, the Registrar and Paying Agent, the Remarketing Agent, each Credit Facility Provider and each Rating Agency of each Mandatory Tender Date applicable to any Bonds at least 5 days before such Mandatory Tender Date if such Mandatory Tender Date is a Termination Date, and at least 30 days before any Mandatory Tender Date other than a Termination Date. The Registrar and Paying Agent shall mail in accordance with the terms of such Bonds a notice to each holder of such Bonds at least 5 days before such Mandatory Tender Date if such Mandatory Tender Date is a Termination Date, and at least 20 days before any Mandatory Tender Date other than a Termination Date stating:

(A) if the Mandatory Tender Date is a Conversion Date (1) that such Bonds will be converted to another Interest Mode, which Interest Mode shall be specified in such notice, or that the length of the Fixed Rate Periods is to be changed (as the case may be) on the Conversion Date specified therein; (2) the Interest Payment Dates on such Bonds after such Conversion Date; (3) the

basis on which the interest borne by such Bonds will be calculated after such Conversion Date; (4) if one or more Fixed Rate Periods will be established (I) the first and last day of the immediately succeeding Fixed Rate Period, (II) if such Bonds then bear interest at a Variable Rate, that after such Conversion Date, such Bonds may not be tendered for purchase at the option of the holders thereof, (III) if the interest rate on such Bonds is to be converted to the Fixed Rate, that such Bonds will be subject to mandatory tender on the day following the last day of each Fixed Rate Period applicable to such Bonds, and (IV) if the Registrar and Paying Agent has selected such Bonds for redemption from one or more of the Sinking Fund Installments becoming due during any Fixed Rate Period applicable to such Bonds, the numbers of the Bonds or portions of Bonds selected to be redeemed from each such Sinking Fund Installment; and (5) that under certain circumstances, the Authority may rescind its election to change the Interest Mode, in which event such Bonds will continue in the same Interest Mode;

(B) if the Mandatory Tender Date is a Termination Date (1) that the Credit Facility then in effect will expire or terminate and the date on which it will expire or terminate; (2) that after such date, such Bonds will no longer be secured by a Credit Facility or that an Alternate Credit Facility is to be provided (as the case may be); and (3) whether any ratings that shall have been assigned to such Bonds at the request of the Authority will be reduced or withdrawn;

(C) if the Mandatory Tender Date is a Business Day selected by the Authority (1) the reason for the mandatory tender; (2) whether the Credit Facility, if any, then effect will expire, the date on which it will expire and whether an Alternate Credit Facility will be provided; (3) if no Credit Facility is then in effect, whether a Credit Facility will be provided on the Bonds thereafter;

(D) that such Bonds (except any Credit Facility Bonds) must be tendered for purchase at or before 11:00 a.m. on the Mandatory Tender Date to the Registrar and Paying Agent with an instrument of transfer satisfactory to the Registrar and Paying Agent executed in blank by the registered owner with the signature guaranteed by a bank, trust company or member firm of the New York Stock Exchange, and that Bonds so tendered will be purchased on the Mandatory Tender Date at a purchase price equal to the principal amount thereof and accrued interest, if any, thereon plus, in the case of the purchase of any Bonds during any Fixed Rate Period applicable to such Bonds, a premium equal to the premium, if any, that would be payable if such Bonds were redeemed at the option of the Authority on such Mandatory Purchase Date; and

(E) that if there shall be on deposit with the Trustee an amount sufficient to pay the Purchase Price of such Bonds on such Mandatory Tender Date, such Bonds will be deemed to have been purchased on such Mandatory Tender Date and shall cease to bear interest as of such Mandatory Tender Date whether or not such Bonds are tendered to the Registrar and Paying Agent on such date and that the holders of such Bonds shall have no rights with respect thereto or under this Trust Agreement except to receive the Purchase Price of such Bonds.

(ii) The Bonds will be subject to mandatory tender on each Mandatory Tender Date applicable to such Bonds notwithstanding any failure of the Trustee or the Registrar and Paying Agent to give any notice required hereunder or any defect therein.

(iii)

(d) Payment of Purchase Price. The Purchase Price of Bonds tendered for purchase on each Tender Date applicable to such Bonds shall be paid from the following sources in the following order of priority:

FIRST: from proceeds of the remarketing of such Bonds (other than any remarketing of Bonds to the Authority); and

SECOND: from moneys realized under the related Credit Facility; and

If funds available for the purchase of all tendered Bonds on any Tender Date are insufficient, such tendered Bonds are not to be purchased and the Registrar and Paying Agent is required to return all tendered Bonds to the owners thereof.

(e) Delivery of Bonds. Bonds tendered to the Registrar and Paying Agent on any Tender Date applicable to such Bonds shall be delivered by the Registrar and Paying Agent as follows:

(i) Bonds remarketed by the Remarketing Agent shall be exchanged for other Bonds, as necessary to correspond to the denominations in which such Bonds have been sold by the Remarketing Agent and shall be re-registered and made available at the direction of the purchasers thereof; *provided*, however, that the Registrar and Paying Agent shall not register the transfer of remarketed Credit Facility Bonds until the amount available to be drawn under the related Credit Facility for the payment of the Purchase Price of such Bonds shall have been reinstated by an amount equal to the principal amount of such Credit Facility Bonds and interest thereon;

(ii) Bonds the principal portion of the Purchase Price of which shall have been paid from amounts realized under a Credit Facility shall be registered in the name of the related Credit Facility Provider or otherwise upon the direction of such Credit Facility Provider and made available to or upon the order of the related Credit Facility Provider; and

(iii) Bonds the principal portion of the Purchase Price of which shall have been paid from any other moneys shall be registered to or upon the order of the Authority or canceled as shall be directed by the Authority.

(f) Purchased Bonds Not Discharged. Anything in this Trust Agreement to the contrary notwithstanding, Bonds purchased in accordance with this Section shall not be deemed to have been redeemed, paid or discharged pursuant to this Trust Agreement.

(g) Nondelivery of Bonds. If any Bond is not delivered to the Registrar and Paying Agent on any Tender Date applicable to such Bond, the Registrar and Paying Agent shall register the transfer of such Bond to the purchaser thereof and shall authenticate and deliver a new Series 2003 Bond in accordance with the provisions of paragraph (e) above, notwithstanding such nondelivery.

(h) Limitation on Purchases of Bonds on Default. No Bonds shall be purchased on any Tender Date except from amounts realized under the Credit Facility if an Event of Default under this Trust Agreement has occurred and is continuing as of such date.

**Section 3.06. Redemption and Purchase of Additional Bonds.**

The provisions of this Article are subject in all respects to the provisions of any Supplemental Trust Agreement authorizing any Additional Bonds with respect to the Additional Bonds authorized thereby. Without limiting the generality of the foregoing, any Supplemental Trust Agreement authorizing any Additional Bonds may provide that moneys available for the redemption or purchase of Bonds at the option of the Authority on any date shall be allocated among all Series of outstanding Bonds in proportion (as nearly as practicable) to the aggregate principal amount of Bonds of each Series subject to redemption on such date.

**ARTICLE IV**

**PLEGDED REVENUES AND FUNDS**

**Section 4.01. Creation of Funds.**

The following funds and accounts are hereby created:

PFC Revenue Fund;  
Construction Fund:  
    2003A Capitalized Interest Account;  
    2003B Capitalized Interest Account;  
    2003A Construction Account;  
    2003B Construction Account;  
Bond Fund;  
    Purchase Account  
    Interest Account  
Debt Service Reserve Fund;  
Redemption Fund;  
Facility Improvements Fund;  
2003 Credit Facility Proceeds Fund; and  
Rebate Fund.

(a) The Construction Fund, the PFC Revenue Fund, the Bond Fund, the Debt Service Reserve Fund, the Facility Improvements Fund, the Redemption Fund and the 2003 Credit Facility Proceeds Fund shall be held by the Trustee hereunder. Pending the application of amounts on deposit in the funds and accounts created hereby in accordance with this Trust Agreement, such amounts are hereby pledged to the payment of all Outstanding Bonds, except as otherwise provided in this Section and in any Supplemental Trust Agreement authorizing the issuance of any Additional Bonds in accordance

with Section 2.05. The Rebate Fund shall be held by the Trustee and is not pledged to the payment of any Bonds.

(b) A separate Purchase Account within the Bond Fund and the 2003 Credit Facility Proceeds Fund shall be created for the Series 2003 Bonds. Notwithstanding the foregoing provisions of this Section, the Purchase Price of any Bonds deposited in the Purchase Account shall be applied solely to the payment of the Bonds for which such deposit is made and proceeds of the 2003 Credit Facility deposited in the 2003 Credit Facility Proceeds Fund shall be applied solely to the payment of Series 2003 Bonds secured by the 2003 Credit Facility.

(c) As provided in Section 2.05, any Supplemental Trust Agreement authorizing the issuance of any Additional Bonds may provide for the creation of separate funds and accounts for such Bonds. When any provision of this Trust Agreement requires that any amount be deposited in a fund or account maintained for the Bonds of any Series, such amount shall be deposited in the fund or account established for such Series of Bonds. Notwithstanding any other provision of this Trust Agreement, amounts from time to time on deposit in the funds and accounts maintained for the Bonds of any Series shall secure only the Bonds of such Series.

(d) For the purposes of internal accounting, any fund or account created by this Trust Agreement may contain one or more accounts or sub-accounts, as shall be deemed appropriate by the Authority.

#### **Section 4.02. Application of Proceeds of Series 2003 Bonds.**

The proceeds of each Series of Bonds shall be received by the Trustee on behalf of the Authority.

Upon the receipt of the proceeds of the Series 2003A Bonds, including accrued interest, if any, thereon, the Trustee shall deposit such proceeds as follows: (i) \$4,458,928.57 of such proceeds shall be deposited in the 2003A Capitalized Interest Account of the Construction Fund; (ii) \$6,411,009.88 of such proceeds shall be deposited in the Debt Service Reserve Fund; and (iii) the balance of such proceeds shall be deposited in the 2003A Construction Account of the Construction Fund.

Upon the receipt of the proceeds of the Series 2003B Bonds, including accrued interest, if any, thereon, the Trustee shall deposit such proceeds as follows: (i) \$397,952.57 of such proceeds shall be deposited in the 2003B Capitalized Interest Account of the Construction Fund; (ii) \$558,990.12 of such proceeds shall be deposited in the Debt Service Reserve Fund; and (iii) the balance of such proceeds shall be deposited in the 2003B Construction Account of the Construction Fund.

The proceeds of each Series of Additional Bonds shall be applied as provided in the Supplemental Trust Agreement authorizing such Series of Additional Bonds.

**Section 4.03. Deposit of Pledged Revenues, Remarketing Proceeds and 2003 Credit Facility Proceeds.**

(a) The Authority shall pay or cause to be paid to the Trustee the Pledged Revenues promptly upon receipt thereof by or on behalf of the Authority, which amounts shall be deposited by the Trustee into the PFC Revenue Fund. On the first day of each month, the Trustee shall transfer and apply amounts in the PFC Revenue Fund as follows in the following order of priority:

(i) to the Bond Fund, the sum of:

(A) (1) during any Variable Rate Period, Fixed Rate Period shorter than three months or during an Auction Period of 91 days or less applicable to the Bonds, the amount equal to the interest becoming due on the Bonds on the immediately succeeding Interest Payment Date or such lesser amount as shall be required to make the amount on deposit in the Interest Account equal to the interest becoming due on the outstanding Bonds on the immediately succeeding Interest Payment Date on such Bonds; (2) during the term of any Qualified Hedging Transaction applicable to the Bonds, the amount equal to the regularly scheduled hedge payment becoming due on the immediately succeeding regularly scheduled hedge payment date set forth in the related hedge facility; and (3) during an Auction Period or Fixed Rate Period of longer than 91 days, the quotient obtained by dividing the interest becoming due on the Outstanding Bonds on the immediately succeeding Interest Payment Date by the number of full calendar months in such Auction Period or Fixed Rate Period, respectively;

(B) one-twelfth (1/12) of the amount of any principal of the Bonds Outstanding becoming due on the immediately succeeding July 1;

(C) one-twelfth (1/12) of the amount of any Sinking Fund Installment for the Bonds Outstanding becoming due on the immediately succeeding July 1; and

(D) an amount equal to any deficiency in the amount deposited in the Bond Fund in any prior month below the amount which was required to be deposited in the Bond Fund in accordance with this paragraph;

(ii) to the payment of any Administrative Expenses then due and any amounts payable under the Credit Facility Agreements which are not paid from amounts in the Construction Fund pursuant to Section 4.04 (a) or (b);

(iii) to the Debt Service Reserve Fund, beginning in the month immediately succeeding any month in which the Authority receives notice of any deficiency in the Debt Service Reserve Fund (A) one-fourth (1/4) of the amount of such deficiency if the value of the assets credited to the Debt Service Reserve Fund is less than 90% of the 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 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 in substitution for



any Debt Service Reserve Fund Credit Facility 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 Debt Service Reserve Fund equals the Debt Service Reserve Fund Requirement;

(iv) to the payment of any termination payment then due and any amounts other than regularly scheduled hedge payments payable under any Qualified Hedging Transaction; and

(v) to the Facility Improvements Funds any balance remaining.

(b) Proceeds of the remarketing of the Bonds shall be deposited in the Purchase Account of the Bond Fund maintained for the Bonds.

(c) Amounts realized under the 2003 Credit Facility shall be deposited in the 2003 Credit Facility Proceeds Fund.

#### **Section 4.04. Construction Fund**

(a) The Construction Fund shall contain a 2003A Capitalized Interest Account, a 2003B Capitalized Interest Account, a 2003A Construction Account and a 2003B Construction Account. On or before each Interest Payment Date, the Trustee shall transfer amounts on deposit in the 2003A Capitalized Interest Account and the 2003B Capitalized Interest Account to the Bond Fund upon the direction of the Authority. At the direction of the Authority, the Trustee shall apply amounts in the 2003A Capitalized Interest Account and in the 2003B Capitalized Interest Account to the payment of Administrative Expenses and any amounts payable under the Credit Facility Agreement.

(b) The Trustee shall pay from amounts held in the Construction Fund derived from the issuance of a Series of Bonds, the Administrative Expenses relating to the issuance of such Series of Bonds and not otherwise paid.

(c) Except as otherwise provided in paragraphs (a) and (b) of this Section, moneys deposited in the Construction Fund shall be used only to finance or refinance the Costs of or relating to the Airport Facilities Projects and any Additional Facilities, including (without limitation) reimbursements to the MAA and the Department for such Costs and expenses paid by the Department and MAA in connection with the Airport Facilities Projects or such Additional Facilities as are approved by the Authority.

(d) Payments pursuant to paragraphs (a), (b) and (c) of this Section shall be made in accordance with Requisitions signed by an authorized representative of the Authority and the MAA and setting forth the names of the payees, the purpose of each payment in terms sufficient for identification and the respective amounts of each such payment. Each requisition shall be deemed to constitute a representation of the MAA that such purposes constitute a necessary part of the Cost of the Airport Facilities Projects. To the extent required by the Authority, each requisition shall be supported by appropriate paid invoices, and shall contain such additional certifications as the Authority shall deem necessary or desirable, including (without limitation) certifications with respect to the continued excludability from gross income, for federal income tax purposes, of interest paid on the Bonds.

(e) As soon as practicable after the Completion Date of the Airport Facilities Projects or any Additional Facilities, the Authority shall deliver to the Trustee a Certificate of the Authority certifying any amounts to be retained in the Construction Fund to pay any unpaid Costs of the Airport Facilities Projects or such Additional Facilities. The Trustee shall transfer any balance so remaining in the Construction Fund less any amounts to be retained to pay any unpaid Costs pursuant to the Certificate of the Authority as follows and in the following order of priority:

FIRST: to the Debt Service Reserve Fund, such amount as shall be necessary to make the amount credited to the Debt Service Reserve Fund equal the Debt Service Reserve Fund Requirement; and

SECOND: to the Facility Improvements Fund, Redemption Fund or to the Bond Fund, as shall be directed by Order of the Authority upon the advice of Bond Counsel.

#### **Section 4.05. Bond Fund.**

Except as provided in any Supplemental Trust Agreement authorizing any Series of Additional Bonds with respect to any Bond Fund maintained for such Bonds, amounts on deposit in the Bond Fund shall be applied in accordance with this Section.

(a) Interest. On each Interest Payment Date with respect to Outstanding Bonds of a Series, the Trustee shall pay or cause to be paid from the Bond Fund maintained for the Bonds of such Series the amount required to pay the interest due on such Bonds on such date and the amounts, if any, due under the Credit Facility Agreement with respect to such Bonds as a result of any amounts realized under the Credit Facility issued thereunder for the payment of interest due on such Bonds and interest on amounts realized under such Credit Facilities for the payment of the principal or Redemption Price of and interest on, and the Purchase Price of, such Bonds.

(b) Principal. On each date on which the principal of the Outstanding Bonds of a Series becomes due, the Trustee shall pay or cause to be paid from the Bond Fund maintained for the Bonds of such Series the amount required to pay the principal due on such date and the amount, if any, due under the Credit Facility Agreement with respect to such Bonds as a result of any amounts realized under the Credit Facility issued thereunder for the payment of principal due on any Bonds.

(c) Sinking Fund Installments. Moneys in the Bond Fund maintained for the Bonds of a Series for the payment of Sinking Fund Installments on such Bonds shall be applied to the purchase or redemption of such Bonds as follows:

(i) Subject to the provisions of paragraph (ii) below, prior to the due date for the payment of each Sinking Fund Installment for such Bonds, the Trustee shall direct the Registrar and Paying Agent to call for redemption Outstanding Bonds of such Series subject to redemption from such Sinking Fund Installment in an aggregate principal amount equal to such Sinking Fund Installment, less the amount previously credited against such Sinking Fund Installment in accordance with paragraph (iii) below. On the date fixed for redemption of such Bonds, the Trustee shall pay or cause

to be paid from such Bond Fund an amount equal to the principal amount of such Bonds so called for redemption and the amount, if any, due under the Credit Facility Agreement with respect to such Bonds as a result of any amounts realized under the Credit Facility issued thereunder for the payment of the Redemption Price of such Bonds.

(ii) Upon the direction of the Authority, the Trustee shall endeavor to purchase Outstanding Bonds of such Series subject to redemption from the Sinking Fund Installment due on any date from amounts on deposit in such Bond Fund for the payment of such Sinking Fund Installment at the most advantageous price then obtainable with reasonable diligence. No such purchase shall be made by the Trustee (A) after the earlier of the date on which the Trustee gives notice of the redemption of Bonds of such Series from such Sinking Fund Installment and the date that is 45 days before the due date for the payment of such Sinking Fund Installment, or (B) at a price, including any brokerage and other charges, greater than the principal amount of such Bonds and accrued interest thereon.

(iii) If (A) the Trustee purchases Bonds from amounts on deposit in the Bond Fund for the payment of the Sinking Fund Installment for such Bonds in accordance with paragraph (ii) above and such Bonds are cancelled, (B) the Authority delivers to the Trustee for cancellation Bonds subject to redemption from such Sinking Fund Installment on or before the earlier of the date on which the Trustee gives notice of the redemption of any Bonds from such Sinking Fund Installment and the date that is 45 days before the due date for the payment of such Sinking Fund Installment and such Bonds are cancelled, or (C) Bonds subject to redemption from any Sinking Fund Installment are redeemed at the election of the Authority, then an amount equal to 100% of the aggregate principal amount of such Bonds so purchased and delivered to the Trustee for cancellation or redeemed (as the case may be) shall be credited against such Sinking Fund Installment.

(iv) If the aggregate principal amount of Bonds of any Series purchased and cancelled or redeemed in any 12-month period ending July 1 is in excess of the Sinking Fund Installment due on such Bonds in such period, the Trustee shall credit the amount of such excess against subsequent Sinking Fund Installments for such Bonds as directed by a Certificate of the Authority.

(d) On each Tender Date, the Trustee shall apply amounts on deposit in the Purchase Account maintained for the Bonds to the purchase of Bonds due on such date in accordance with Section 3.05(d).

(e) Notwithstanding the foregoing provisions of this Section, (i) no amounts on deposit in the Bond Fund (other than the proceeds of the remarketing of any Bonds on deposit in the Purchase Account maintained for such Bonds) shall be applied to the payment of the principal or Redemption Price of or interest on, or the Purchase Price of, any Series 2003 Bonds so long as such Bonds are secured by the 2003 Credit Facility and no Credit Facility Default with respect to such Bonds shall have occurred and be continuing and (ii) no payments shall be made from the Bond Fund maintained for the Series 2003 Bonds to reimburse the 2003 Credit Facility Provider for amounts paid under the 2003 Credit Facility or to pay any principal of or interest on any Credit Facility Bonds if any Credit Facility Default with respect to the Series 2003 Bonds shall have occurred and be continuing.

#### **Section 4.06. Debt Service Reserve Fund.**

If on any Interest Payment Date the amount in the Bond Fund maintained for any Series of Bonds secured by the Debt Service Reserve Fund shall be less than the amount of interest then due on the Outstanding Bonds of such Series and the amount, if any, due under the Credit Facility Agreement with respect to such Bonds as a result of any amounts realized under the Credit Facility issued thereunder for the payment of interest due on any Bonds of such Series and interest due on amounts realized under such Credit Facility for the payment of the principal or Redemption Price of or interest on, or the Purchase Price of, Bonds of such Series on such date, or if on any date on which the principal amount of any Outstanding Bond of a Series becomes due the amount in the Bond Fund maintained for such Bonds shall be less than the amount of the principal and the Sinking Fund Installment (either or both, as the case may be) then due on such Bonds and the amounts, if any, due under the Credit Facility Agreement with respect to such Bonds as a result of any amounts realized under the Credit Facility issued thereunder for the payment of the principal or Redemption Price of Bonds of such Series on such date, the Trustee forthwith shall transfer moneys from the Debt Service Reserve Fund maintained for such Bonds to such Bond Fund, to the extent necessary to make good any deficiency.

For the purposes of this Trust Agreement, in the case of a deficiency or surplus in the Debt Service Reserve Fund:

(a) a “deficiency” shall mean that the value of the assets of such Debt Service Reserve Fund, determined in accordance with Section 4.09, is less than the Debt Service Reserve Fund Requirement; and

(b) a “surplus” shall mean that the value of the assets of such Debt Service Reserve Fund, determined in accordance with Section 4.09, is in excess of the Debt Service Reserve Fund Requirement.

The Trustee shall determine the value of the assets of each Debt Service Reserve Fund in the manner provided by Section 4.09 as of the close of business (i) on July 1 in each year, (ii) on the date of any withdrawal from the Debt Service Reserve Fund and on the last Business Day of each month thereafter until such determination discloses that a deficiency no longer exists in such fund, (iii) on any date on which the Trustee obtains actual knowledge that any Debt Service Reserve Fund Credit Facility held to the credit of a Debt Service Reserve Fund is no longer entitled to be credited to such Debt Service Reserve Fund, (iv) on the date that is six months prior to the stated expiration date of any Debt Service Reserve Fund Credit Facility, and (v) on any other date directed by the Authority.

As promptly as practicable after making such determination, the Trustee shall notify the Authority of the result of such determination and of the amount of any deficiency or surplus determined to exist in a Debt Service Reserve Fund.

The Trustee shall transfer the amount of any surplus that exists in a Debt Service Reserve Fund from time to time to the Bond Fund, the Redemption Fund or the Facility Improvements Fund upon the direction of the Authority.

#### **Section 4.07. Redemption Fund.**

(a) The Trustee shall deposit in the Redemption Fund any amounts paid to the Trustee for the redemption of Bonds (other than any redemption from the Sinking Fund Installments).

(b) On any date on which a determination of the value of the assets of the Debt Service Reserve Fund discloses a deficiency therein, the Trustee shall transfer to the Debt Service Reserve Fund from the Redemption Fund any available amounts on deposit in the Redemption Fund which are not to be used to pay the Redemption Price of Bonds already called for redemption or to reimburse a Credit Facility Provider for amounts to be drawn under a Credit Facility to pay such Redemption Price to the extent of such deficiency. The Trustee shall notify the Authority of such transfer and the amount thereof.

(c) Subject to the provisions of paragraphs (b), (d) and (e) of this Section, available moneys in the Redemption Fund shall be applied by the Trustee to the purchase for immediate cancellation or redemption of Bonds of such Series and maturities as the Authority shall direct in writing. At the written direction of the Authority, the Trustee shall endeavor to purchase such Bonds in accordance with the provisions of Section 3.05(b) and (c) at the most advantageous price obtainable with reasonable diligence.

(d) Notwithstanding the foregoing provisions of this Section, to the extent provided in any Supplemental Trust Agreement authorizing the issuance of any Series of Additional Bonds (i) moneys available for the redemption or purchase for immediate cancellation of Bonds on any date shall be allocated among all Series of Bonds in proportion (as nearly as practicable) to the aggregate principal amount of Bonds of each such Series subject to redemption on such date and (ii) the Bonds of such Series to be purchased or redeemed on any date shall be selected in accordance with the provisions of such Supplemental Trust Agreement.

(e) The Authority may set aside any available amount on deposit in the Redemption Fund for the redemption of particular Bonds by the delivery of irrevocable written instructions to the Trustee directing the Trustee to set aside such amount for such purpose, in which event all of the provisions of Sections 9.01 and 10.04 shall be applicable to such Bonds and the amounts set aside for the payment of such Bonds. Amounts set aside for the redemption of Bonds and investment earnings on such amounts shall be applied to the payment of the interest due on such Bonds on or prior to the redemption date of such Bonds to the extent provided in such instructions.

(f) Amounts held in the Redemption Fund for the payment of the Redemption Price of any Bonds shall be used to reimburse the Credit Facility Provider for amounts drawn under the related Credit Facility to pay the Redemption Price of such Bonds.

(g) Moneys set aside to pay the Redemption Price of any Bonds theretofore called for redemption or the Purchase Price of Bonds theretofore contracted to be purchased for cancellation or which will be used to reimburse a Credit Facility Provider for amounts drawn under a Credit Facility to pay such Redemption Price shall not be deemed to be available for application as provided in this Section.

#### **Section 4.08. Facility Improvements Fund.**

Amounts on deposit in the Facility Improvements Fund shall be applied to the following purposes in the following order of priority:

(a) At any time when a deficiency exists in any amount required to be deposited to any account within the Bond Fund or the Debt Service Reserve Fund, the Trustee shall transfer such amounts from the Facility Improvements Fund to such account or accounts in the Bond Fund and the Debt Service Reserve Fund necessary to eliminate such deficiency (deficiencies in multiple accounts within the Bond Fund and the Debt Service Reserve Fund to be so eliminated in same order of priority as stated in the Trust Agreement for transfers to the Bond Fund from the PFC Revenue Fund);

(b) At any time when Administrative Expenses or amounts owed under a Credit Facility Agreement are due and payable, the Trustee shall apply amounts held in the Facility Improvements Fund to the payment of such Administrative Expenses or amounts owed under a Credit Facility Agreement;

(c) At any time when an event of default (as defined in any Credit Facility Agreement) has occurred and is continuing, the Trustee shall apply amounts held in the Facility Improvements Fund to cure such event of default or, if such event of default cannot be cured by application of such amounts held in Facility Improvements Fund, the Trustee shall hold amounts in the Facility Improvements Fund and apply the same to only those purposes described in paragraphs (a), (b), (c), (d) and (e) under this Section until such event of default is cured or no longer continues;

(d) At any time when Credit Facility Bonds are outstanding, the Trustee shall transfer amounts from the Facility Improvements Fund to the Redemption Fund sufficient to redeem such outstanding Credit Facility Bonds;

(e) At any time when the Sufficiency Covenant cannot be satisfied the Authority shall cure such failure by either (1) directing the Trustee to transfer amounts held in the Facility Improvements Fund to the Redemption Fund to be applied to the redemption, purchase and immediate cancellation or defeasance, as the case may be, of Bonds as set forth in Section 3.04(a)(iii) until such time as the Sufficiency Covenant can be satisfied; and/or (2) obtaining an amendment to the existing PFC Authority or obtaining new PFC Authority authorizing additional PFCs which shall be pledged as part of the Pledged Revenues hereunder in an amount sufficient to cause the Sufficiency Covenant to be satisfied;

(f) At such time as all purposes described in paragraphs (a) through (e) above are satisfied amounts on deposit in the Facility Improvements Fund shall be applied in accordance with Requisitions of the Authority to the payment of 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, including (without limitation) any land acquisition to BWI Airport, and such other costs as shall be permitted under Applicable Law; provided that (1) the Authority shall have received the prior written approval of the FAA to the application of such amounts for such purpose, (2) the Authority, the Trustee and each Credit Provider shall have received a

certificate from the MAA in which the MAA covenants at all times to manage the PFC program in manner that will enable the Authority to meet the Sufficiency Covenant, (3) the MAA will make the calculations at the beginning of the Bond Year and as of the date which is 180 days thereafter which will demonstrate whether the Sufficiency Covenant is being complied with and, if being complied with, the amount that may be withdrawn from the Facility Improvements Fund without violating the Sufficiency Covenant and (4) the amount being withdrawn as described above will not result in the violation of the Sufficiency Covenant if the calculations necessary to determine compliance were done on the date of such withdrawal.

As used herein, the following terms shall have the meanings specified.

*“Adjusted Costs”* means Costs of Airport Facilities Projects paid from the PFCs pledged hereunder as part of Pledged Revenues (the “Pledged PFCs”) to date plus payments made with respect to the Bonds, plus all Administrative Expenses paid, plus amounts paid with respect to Credit Facility Agreements, plus all other payments made from the Pledged PFCs to date, minus amounts then on deposit in the funds and accounts created under the Trust Agreement and available for payment of debt service on the Bonds.

*“PFC Authority”* means the FAA’s Final Agency Decision through September 17, 2002, as the same may be amended from time to time, and any other final agency decision (and amendments) issued by the FAA relating to the PFCs imposed or to be imposed through the date no later than the final maturity date of the Bonds by the MAA at the BWI Airport which are pledged as part of the Trust Estate under the Trust Agreement.

*“Projected Aggregate Principal and Interest Requirements”* means the aggregate amount of Debt Service Requirements for the Bonds through the scheduled maturity of each Series of Bonds outstanding; provided, however, the interest rate used in calculating the Debt Service Requirements on any Bonds that bear a Variable Rate shall be assumed to be 15% per annum (unless the interest rate borne by the Bonds bearing a Variable Rate shall have averaged greater than 7% for a period of 90 consecutive days, after which time the interest rate assumed for purposes of this calculation shall increase to 24% per annum); provided further, however, that if the Authority enters into a Qualified Hedging Transaction, the interest rate assumed for purposes of this calculation shall be the fixed rate payable by the Authority or cap rate under such Qualified Hedging Transaction for the period of time the Qualified Hedging Transaction is in place; provided, further that if any Series of Bonds outstanding is subject to optional redemption and such Bonds have been called for redemption, then the annual Debt Service Requirements for such Series of Bonds shall be calculated through the applicable optional redemption date (and such calculation shall include any applicable redemption premium).

*“Sufficiency Covenant”* means the requirement that Unspent PFC Authority is at least equal to 105% of Projected Aggregate Principal and Interest Requirements with respect to all outstanding Bonds.

*“Unspent PFC Authority”* means the aggregate dollar amount of Pledged PFCs authorized to be collected by the MAA under the PFC Authority minus the dollar amount of Adjusted Costs.

So long as no Event of Default shall have occurred and be continuing, upon the Order of the Authority, any amount from time to time on deposit in the Facility Improvements Fund shall be transferred to the Redemption Fund.

#### **Section 4.09. Investments.**

Moneys in any of the funds and accounts established by this Trust Agreement may be invested, but only in Permitted Investments maturing or redeemable at the option of the holder in such amounts and on such dates as may be necessary to provide moneys to meet the payments from such funds and accounts. Moneys in the 2003 Credit Facility Proceeds Funds and remarketing proceeds in the Purchase Account of the Bond Fund shall be invested only in Government Obligations maturing or redeemable at the option of the holder in the lesser of 30 days or when needed. The Trustee shall invest amounts on deposit in the funds and accounts held by the Trustee in accordance with this Section as directed by an Authority Representative.

Subject to the further provisions of this Section, interest earned, profits realized and losses suffered by reason of any investment of any amounts held by the Trustee under this Trust Agreement shall be credited or charged, as the case may be, to the fund or account for which such investment shall have been made, except as otherwise provided in any Supplemental Trust Agreement authorizing any Additional Bonds with respect to any funds and accounts maintained for such Additional Bonds.

The Trustee may sell or redeem any obligations in which moneys shall have been invested to the extent necessary to provide cash in the respective funds or accounts to make any payments required to be made therefrom or to facilitate the transfers of moneys between various funds and accounts as may be required or permitted from time to time pursuant to the provisions of this Trust Agreement. The proceeds from the sale of any investment shall be paid into the fund or account for which the sale thereof was made.

In determining the value of the assets of the funds and accounts created by this Trust Agreement (i) investments and accrued interest thereon shall be deemed a part thereof, and (ii) investments shall be valued at the current market value thereof.

In addition, in determining the value of the assets of the Debt Service Reserve Fund on any date, there shall be credited to the Debt Service Reserve Fund the amount that can be realized by the Trustee under any Debt Service Reserve Fund Credit Facility if each of the following conditions is met: (i) on the date of delivery of such Debt Service Reserve Fund Credit Facility to the Trustee, the unsecured indebtedness or claims-paying ability of the issuer thereof is rated in one of the three highest Rating Categories of a Rating Agency; (ii) such Debt Service Reserve Fund Credit Facility permits the Trustee to realize amounts thereunder at such times as the Trustee is required to transfer any amount (other than any surplus) from the Debt Service Reserve Fund in accordance with this Trust Agreement; (iii) if amounts realized under such Debt Service Reserve Fund Credit Facility are, under any circumstances, payable from the Pledged Revenues, such amounts shall be payable in no fewer than 12



equal monthly installments; and (iv) the expiration date of such Debt Service Reserve Fund Credit Facility is at least six months after the date of valuation or is after the maturity date of the Bonds secured thereby or such Debt Service Reserve Fund Credit Facility permits the Trustee to draw thereunder for deposit to the Debt Service Reserve Fund an amount equal to the Debt Service Reserve Fund Requirement prior to its expiration.

Neither the Authority nor the Trustee shall be liable for any depreciation in the value of any obligations in which moneys of the funds or accounts created by this Trust Agreement shall be invested in accordance with this Section, or for any loss arising from any investment permitted herein. The investments authorized by this Section shall at all times be subject to the provisions of Applicable Law.

The provisions of this Section shall be subject in all respects to the provisions of Section 4.11.

#### **Section 4.10. Application of Moneys in Certain Funds for Retirement of Bonds.**

Notwithstanding any other provision of this Trust Agreement, if at any time the Authority shall determine to provide for the payment of all Outstanding Bonds of a Series in accordance with Article IX, upon the Order of the Authority, the Trustee shall apply moneys on deposit in the Bond Fund and the Debt Service Reserve Fund securing such Bonds available for the payment of the principal or Redemption Price of and interest on such Bonds to the payment or redemption of such Bonds in the manner provided by Article IX and to pay all amounts owed under any Credit Facility Agreement pursuant to which a Credit Facility was issued to secure such Bonds, except as otherwise provided in any Supplemental Trust Agreement.

#### **Section 4.11. Bond Not to be Arbitrage Bonds; Tax Covenant.**

The Chairman, the Executive Secretary or the Director of Finance of the Authority shall be officials of the Authority responsible for issuing the Tax-Exempt Bonds (the "Section 148 Certifying Officials") for the purpose of Section 148 of the Code ("Section 148"). The Section 148 Certifying Officials shall execute and deliver (on the date of each issuance of Tax-Exempt Bonds) a certificate of the Authority (each such certificate, as it may be amended and supplemented from time to time in accordance with this Section, being referred to herein as a "Section 148 Certificate") that complies with the requirements of Section 148 of the Code in effect on the date of issuance of such Tax-Exempt Bonds.

The Authority shall set forth in each Section 148 Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of such Tax-Exempt Bonds, or of any moneys, securities or other obligations that may be deemed to be proceeds of such Tax-Exempt Bonds within the meaning of Section 148 (collectively, "Bond Proceeds"). The Authority covenants that (i) the facts, estimates and circumstances set forth in each Section 148 Certificate will be based on the Authority's reasonable expectations on the date of delivery of such Certificate and will be, to the best of the Section 148 Certifying Officials' knowledge, true, correct and complete as of that date, and (ii) the Section 148 Certifying Officials will make reasonable inquiries to ensure such truth, correctness and completeness.

The Authority further covenants that it will not make, or (to the extent it exercises control or direction) permit to be made, any use of the Bond Proceeds that would cause any Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148.

The Authority will comply with those provisions of Section 148 that are applicable to any Tax-Exempt Bonds on the date of issuance of such Bonds and with those provisions of Section 148 that may subsequently lawfully be made applicable to such Bonds. To the extent that provisions of Section 148 apply only to a portion of the Tax-Exempt Bonds, it is intended that the covenants of the Authority contained in this Section be construed so as to require the Authority to comply with Section 148 only to the extent of such applicability.

The Authority shall make or cause to be made, but only from the Pledged Revenues or from other moneys, if any, on deposit in the funds and accounts created by this Trust Agreement, timely payment of any rebate amount (or installment or payment in lieu thereof) required to be paid to the United States of America in order to preserve the excludability from gross income, for federal income tax purposes, of interest paid on the Tax-Exempt Bonds and shall include with any such payment such other documents, certificates or statements as shall be required to be included therewith under then-applicable law and regulations.

The Authority and the Trustee shall hold and invest Bond Proceeds within their control (if such Bond Proceeds are invested), in accordance with the expectations of the Authority set forth in the Section 148 Certificates. The Authority shall (i) direct the Trustee to transfer amounts on deposit in any fund or account created by this Trust Agreement to the Rebate Fund and (ii) deposit Pledged Revenues with the Trustee for deposit to the Rebate Fund or otherwise make Pledged Revenues available for the payment of rebates or payments in lieu thereof to the United States of America, all in accordance with the expectations of the Authority set forth in the Section 148 Certificate.

Upon the Order of the Authority, the Trustee shall transfer amounts on deposit in any fund or account created by this Trust Agreement to the Rebate Fund, any other provision of this Trust Agreement to the contrary notwithstanding. Amounts on deposit in the Rebate Fund from time to time required to be paid to the United States of America pursuant to Section 148 as a rebate or payment in lieu thereof shall be made available by the Trustee to the Authority for such payments upon the Order of the Authority and shall not be pledged to the payment of the principal or Redemption Price of or interest on any Bonds.

Upon the Order of the Authority, the Trustee shall transfer amounts on deposit in the Rebate Fund to any other fund or account created by this Trust Agreement, *provided* that the amount transferred shall not exceed the excess of the amount on deposit in the Rebate Fund over the rebate liability as of the date of calculation by the Authority, less amounts theretofore paid to the United States of America as rebate with respect to the Tax-Exempt Bonds.

The Section 148 Certifying Officials may execute an amendment or supplement to any Section 148 Certificate upon delivery to the Authority of a Favorable Opinion of Bond Counsel.

Neither the Authority nor the Trustee shall incur any liability in connection with any action as contemplated in this Section so long as the Authority and the Trustee act in good faith.

The Authority shall comply with the provisions of Section 103 of the Code and the regulations thereunder applicable to the Tax-Exempt Bonds to the extent required to maintain the excludability from gross income of the interest on the Tax-Exempt Bonds for federal income tax purposes.

**Section 4.12. Realization of Funds under 2003 Credit Facility; 2003 Credit Facility Proceeds Funds.**

(a) On or before each Tender Date applicable to Outstanding Series 2003 Bonds, the Trustee shall draw a draft under the 2003 Credit Facility (or take such other steps as shall be necessary to realize funds thereunder), to the extent permitted thereby, in an amount calculated by the Trustee to be equal to the Purchase Price of such Bonds (other than any Credit Facility Bonds purchased pursuant to Section 4.05 or 4.07 or Bonds owned by or held for the benefit of the Authority) due on such Tender Date, less the amount of remarketing proceeds on deposit in the Purchase Account maintained for such Bonds on such date, which drawing shall be made or steps taken in sufficient time to permit the Trustee to realize funds on such Tender Date in the amount required to pay such Purchase Price. In the case of the initial 2003 Credit Facility, such drawings shall be made or steps taken not later than 11:00 a.m. on such Tender Date. The amount so drawn shall be deposited in the 2003 Credit Facility Proceeds Fund.

(b) On or before each Interest Payment Date on any Outstanding Series 2003 Bonds, the Trustee shall draw a draft under the 2003 Credit Facility (or take such other steps as shall be necessary to realize funds thereunder), to the extent permitted thereby, in an amount calculated by the Trustee to be equal to the interest due on such Bonds (other than any Credit Facility Bonds purchased pursuant to Section 4.05 or 4.07 or Bonds owned by or held for the benefit of the Authority) on such date, which drawing shall be made or steps taken in sufficient time to permit the Trustee to realize such amount on such date. The Trustee shall reimburse the Credit Facility Provider for the amounts so drawn from amounts held in the Interest Account related to the Series of Bonds paid with such drawing. In the case of the initial 2003 Credit Facility, such drawings shall be made or steps taken not later than 3:00 p.m. on the Business Day preceding such Interest Payment Date. The amount so drawn shall be deposited in the 2003 Credit Facility Proceeds Fund.

(c) On or before each redemption date of any Outstanding Series 2003 Bonds, the Trustee shall draw a draft under the 2003 Credit Facility (or take such other steps as shall be necessary to realize funds thereunder), to the extent permitted thereby, in an amount calculated by the Trustee to be equal to the aggregate principal amount of such Bonds (other than any Credit Facility Bonds purchased pursuant to Section 4.05 or 4.07 or Bonds owned by or held for the benefit of the Authority) to be redeemed on such date, which drawing shall be made or steps taken in sufficient time to permit the Trustee to realize such amount on such date. The Trustee shall reimburse the Credit Facility Provider for amounts so drawn from amounts held in the Bond Fund or the Redemption Fund related to the Series of Bonds paid with such drawing. In the case of the initial 2003 Credit Facility, such drawings shall be made or steps taken not later than 3:00 p.m. on the Business Day preceding such redemption date. The amount so drawn shall be deposited in the 2003 Credit Facility Proceeds Fund.

(d) On or before the maturity date of any Outstanding Series 2003 Bonds, the Trustee shall draw a draft under the 2003 Credit Facility (or take such other steps as shall be necessary to realize funds thereunder), to the extent permitted thereby, in an amount calculated by the Trustee to be equal to the outstanding principal amount of such Bonds (other than any Credit Facility Bonds purchased pursuant to Section 4.05 or 4.07 or Bonds owned by or held for the benefit of the Authority) due on such date, which drawing shall be made or steps taken in sufficient time to permit the Trustee to realize such amount on such maturity date. The Trustee shall reimburse the Credit Facility Provider for the amounts so drawn from amounts held in the Redemption Fund related to the Series of Bonds paid with such drawing. In the case of the initial 2003 Credit Facility, such drawing shall be made or steps taken not later than 3:00 p.m. on the Business Day preceding such maturity date. The amount so drawn shall be deposited in the 2003 Credit Facility Proceeds Fund.

(e) On each Interest Payment Date, on the due date for the payment of the principal of any Outstanding Series 2003 Bonds and on the redemption date of any Outstanding Series 2003 Bonds, the Trustee shall pay or cause to be paid from the 2003 Credit Facility Proceeds Fund the principal or Redemption Price of and interest on such Series 2003 Bonds due on such date. If on any Tender Date applicable to any Series 2003 Bonds, the amount of monies on deposit in the Purchase Account within the Bond Fund created for the Series 2003 Bonds shall not be sufficient to pay the Purchase Price of all Outstanding Series 2003 Bonds due on such date, the Trustee shall pay or cause to be paid from the 2003 Credit Facility Proceeds Fund the Purchase Price of such Bonds.

(f) On each date on which the Trustee shall realize any amount under the 2003 Credit Facility for the payment of the principal amount of any Series 2003 Bonds (other than the principal portion of the Purchase Price of any Series 2003 Bonds due on any Tender Date), the Trustee shall deliver to the 2003 Credit Facility Provider any certificate required or permitted under the 2003 Credit Facility in order to reduce the amount available thereunder for the payment of such principal.

## ARTICLE V

### PARTICULAR COVENANTS

#### **Section 5.01. Payment of Bonds.**

The Authority shall pay or cause to be paid the principal or Redemption Price of and interest on, and the Purchase Price of, every Bond on the date and at the place and in the manner provided herein and in the Bonds, according to the true intent and meaning thereof, *provided* that the Bonds shall be limited obligations of the Authority payable solely from the Pledged Revenues.

Neither the State, nor the Department, nor the MAA, nor any political subdivision of the State nor the Authority shall be obligated to pay the 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 Bonds or the interest thereon. The issuance of the 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. The Authority and the MAA have no taxing powers.

**Section 5.02. Representations of the Authority.**

The Authority represents and covenants that: (a) it is duly authorized under the Constitution and laws of the State, particularly the Enabling Legislation, to issue the Series 2003 Bonds, to enter into this Trust Agreement and to pledge the Trust Estate in the manner and to the extent set forth in this Trust Agreement, (b) all action on its part for the issuance of the Series 2003 Bonds has been duly and effectively taken, and (c) the Series 2003 Bonds when issued in accordance with this Trust Agreement will be valid and binding obligations of the Authority.

**Section 5.03. Compliance with Applicable Law.**

The Authority shall comply and shall take any action necessary to enable MAA to comply in all material respects with Applicable Law respecting the handling, use, accounting and recordkeeping of PFCs, whether now or hereafter in effect, including (without limitation) the Federal Aviation Act of 1958, as amended, and Part 158 of Title 14 of the Code of Federal Regulations.

**Section 5.04. Accounts and Audits.**

The Authority shall keep or cause MAA to keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions with respect to the Pledged Revenues. Such books and accounts shall be subject to the inspection of the Trustee (at reasonable hours and subject to the reasonable rules and regulations of the Authority).

**Section 5.05. Additional Indebtedness.**

The Authority shall not create or incur any Indebtedness payable in whole or in part from any portion of the Trust Estate other than any Additional Bonds issued in accordance with this Trust Agreement.

**Section 5.06. Lease and Assignment; Financing Agreement.**

The Authority shall perform its obligations under, and enforce the performance of the obligations of the other parties to, the Lease and Assignment and the Financing Agreement ("Facilities Contracts"), in each case to the extent necessary to permit the Authority to meet its obligations under this Trust Agreement. The Authority shall take all reasonable measures permitted by law to enforce payment to it of all Pledged Revenues, and to defend, preserve and protect the rights, benefits and privileges of the Authority under the Facilities Contracts.

Nothing in this Section shall be deemed to require the Authority to take any action to enforce its rights under the Facilities Contracts or otherwise or to require the MAA to enforce the rights of MAA under any contracts with respect to the Facilities, including (without limitation) the right to receive any Pledged Revenues, if the Authority in good faith determines that such action is not reasonably justified by the nature of the potential remedy or recovery or the likelihood of the recovery and the expense or other adverse effects of such action.

#### **Section 5.07. Financing Statements**

The Authority covenants that, in order further to evidence the grant to the Trustee of the interest in the Trust Estate made hereby to the extent possible by such filing, appropriate financing statements, naming the Trustee as assignee of the Trust Estate, will be filed in the appropriate offices as required by the Maryland Uniform Commercial Code.

#### **Section 5.08. No Disposition of Trust Estate.**

The Authority has not heretofore created any lien, encumbrance or charge upon its interest in the Trust Estate. Except as permitted by this Trust Agreement, the Authority shall not sell, lease, pledge, assign or otherwise dispose of, and shall neither create nor suffer to remain any lien, encumbrance or charge upon, its interest in the Trust Estate ranking prior to or on a parity with the claim, lien and pledge created by this Trust Agreement as security for the Series 2003 Bonds and any Additional Bonds issued within the limitations of this Trust Agreement. The Authority from the Pledged Revenues will cause to be discharged, or will make adequate provisions to satisfy and discharge, within 60 days after the same shall accrue, all lawful claims and demands that, if unpaid, might by law become such a lien upon its interest in the Trust Estate, *provided* that nothing contained in this Section shall require the Authority to pay or cause to be discharged, or make provision for, any such lien, encumbrance or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

#### **Section 5.09. Transportation Authority Fund.**

Section 4-313 of the Enabling Legislation shall not apply to the Series 2003 Bonds and, accordingly, the Series 2003 Bonds shall not be secured by the Transportation Authority Fund.

#### **Section 5.10. Credit Facilities; Alternate Credit Facilities.**

(a) The Trustee in its name or in the name of the Authority shall enforce all rights of the Trustee and all obligations of the Credit Facility Providers under and pursuant to the Credit Facilities for the benefit of the holders of the Bonds secured thereby (including, without limitation, the obligation of the Credit Facility Providers to honor drafts duly presented in accordance with the terms of such Credit Facilities), whether or not the Authority is in default hereunder. The Trustee shall give notice to the Authority and the Rating Agencies of any extension of any Credit Facility.

(b) The Authority may at any time and from time to time deliver to the Trustee an Alternate Credit Facility in substitution for the 2003 Credit Facility upon not fewer than 40 days' Notice to the Trustee and the Remarketing Agent (or such fewer number of days as shall be acceptable to the Trustee), *provided* that there shall first be delivered to the Authority each of the following: (i) a Favorable Opinion of Bond Counsel; (ii) an Opinion of counsel to the issuer of the Alternate Credit Facility satisfactory to the Authority to the effect that such Credit Facility constitutes a valid and binding obligation of the issuer of such Credit Facility; and (iii) an Opinion of counsel satisfactory to the Authority to the effect that the exemption of the Series 2003 Bonds from the registration requirements of the Securities Act of 1933, as amended, and the exemption of this Trust Agreement from qualification under the Trust Indenture Act of 1939, as amended, will not be impaired as a result of the delivery of such Credit Facility. The Trustee shall surrender the Credit Facility for which any Alternate Credit Facility is substituted to the provider thereof five days after the effective date of any such Alternate Credit Facility.

(c) In the event of a draw under any Credit Facility to pay the Purchase Price of the Bonds upon a Mandatory Tender Date relating to the issuance and delivery of an Alternate Credit Facility, the Trustee shall draw moneys under the Credit Facility in effect on and prior to such Mandatory Tender Date and shall not draw upon the Alternate Credit Facility that will become effective on or after such Mandatory Tender Date.

## ARTICLE VI

### CONCERNING THE TRUSTEE, THE REGISTRAR AND PAYING AGENT, THE REMARKETING AGENT, THE AUCTION AGENT, THE MARKET AGENT AND THE BROKER-DEALER

#### **Section 6.01. Trustee Entitled to Indemnity.**

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Trust Agreement, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, advances, outlays and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or default. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity. Notwithstanding the foregoing, in the absence of a dispute involving the Credit Facility, the Trustee shall not be entitled to indemnification prior to taking such steps as shall be necessary to realize funds under the Credit Facility as provided in Section 3.05, or applying amounts on deposit in the Bond Fund to the payment of the Bonds in accordance with Section 3.05, but in no event shall the Trustee be precluded from exercising its rights under Section 6.04.

## **Section 6.02. Responsibilities of the Trustee.**

The recitals, statements and representations contained in this Trust Agreement and in the Bonds shall be taken as the statements of the Authority and not of the Trustee, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Trust Agreement or with respect to the security afforded by this Trust Agreement or the due execution hereof by the Authority, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Trust Agreement, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of the Bonds for value, (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee, or (iii) the application of any moneys paid to the Authority or others in accordance with this Trust Agreement except as to the application of any moneys paid to it in its capacity as Trustee.

The duties and obligations of the Trustee shall be determined by the express provisions of this Trust Agreement and no implied covenant or obligation shall be read into this Trust Agreement against the Trustee, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Trust Agreement.

The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Trust Agreement except for its own negligence or willful misconduct.

The Trustee shall not be liable with respect to any action taken or omitted by it in good faith in accordance with the direction of the Bondholders under any provision of this Trust Agreement relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement.

No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request or direction of any of the Bondholders unless such holders have offered to the Trustee security or indemnity satisfactory to the Trustee as to its terms, coverage, duration, amount and otherwise with respect to the costs, expenses and liabilities which may be incurred by it in compliance with such request or direction.

The Trustee shall not be required to take notice or deemed to have notice of any default or Event of Default hereunder, except any Event of Default under Section 7.01(a) or (b), unless a responsible officer of the Trustee has actual knowledge thereof or has received notice in writing of such default or Event of Default from the Authority or the holders of at least 25% of the Bonds, and in the absence of any such notice, the Trustee may conclusively assume that no such default or Event of Default exists.



The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Trust Agreement shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of this Trust Agreement and final payment of the Bonds.

The permissive right of the Trustee to take the actions permitted by this Trust Agreement shall not be construed as an obligation or duty to do so.

In case an Event of Default shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it hereby and use the same degree of care and skill in their exercise as a prudent person would exercise under the circumstances in the conduct of his or her own affairs.

#### **Section 6.03. Property Held in Trust.**

All moneys and securities held by the Trustee or the Registrar and Paying Agent at any time pursuant to the terms of this Trust Agreement shall be held by it in trust for the purposes and under the terms and conditions of this Trust Agreement.

#### **Section 6.04. Trustee Protected in Relying on Certain Documents.**

The Trustee may rely upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other document provided to the Trustee in accordance with the terms of this Trust Agreement that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Trust Agreement, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel, who may or may not be Bond Counsel or counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Trust Agreement, such matter may be deemed to be conclusively proved and established by a Certificate of the Authority, unless other evidence in respect thereof be hereby specifically prescribed. Such certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision

hereof by the Authority to the Trustee shall be sufficiently executed if executed in the name of the Authority by an Authority Representative.

The Trustee shall not be under any obligation to see to the recording or filing of this Trust Agreement, or otherwise to the giving to any person of notice of the provisions hereof, except as provided in Section 6.12.

#### **Section 6.05. Compensation and Expenses of the Trustee.**

The Authority covenants and agrees:

(a) to pay the Trustee from the Pledged Revenues from time to time reasonable compensation for all services rendered by it hereunder, subject to the terms agreed to from time to time by the Authority and the Trustee;

(b) to reimburse the Trustee from the Pledged Revenues upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Trust Agreement, or in complying with any request by the Authority with respect to the Bonds, including the reasonable compensation, expenses and disbursements of its agents and counsel, subject to the terms agreed to from time to time by the Authority and the Trustee, except any such expense, disbursement or advance attributable to the Trustee's negligence or bad faith; and

(c) to indemnify, defend and hold the Trustee harmless from the Pledged Revenues from and against any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the office of Trustee under this Trust Agreement, including the costs of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

(d) The Trustee shall hold any remarketing proceeds and amounts realized under any Credit Facility in trust for the benefit of the holders of the Bonds and such remarketing proceeds and amounts realized under any Credit Facility shall not be subject to any lien of the Trustee.

In the event the Trustee incurs expenses or renders services in any proceedings under any bankruptcy law relating to the Authority, the expenses so incurred and compensation for services so rendered are intended to constitute expenses of administration under applicable bankruptcy law.

The obligations of this Authority to make the payments described in this Section shall survive discharge of this Trust Agreement, the resignation or removal of the Trustee and payment in full of the Bonds.

#### **Section 6.06. Permitted Acts.**

The Trustee and its directors, officers, employees or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any Holder of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may

act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the Authority or any committee formed to protect the rights of the Holders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Trust Agreement.

#### **Section 6.07. Resignation of the Trustee.**

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' written notice, specifying the date when such resignation shall take effect, to the Authority, each Rating Agency, the Credit Facility Provider of any Credit Facility then in effect and each Holder. Such resignation shall take effect upon the appointment of a successor Trustee and the acceptance of such appointment by such successor.

#### **Section 6.08. Removal of Trustee.**

The Trustee may be removed by the Authority so long as no Event of Default shall have occurred and be continuing or, if any Event of Default shall have occurred and be continuing, by a majority of the Holders by an instrument or concurrent instruments in writing signed and acknowledged by such Holders or by their attorneys-in-fact, duly authorized and delivered to the Authority, each Rating Agency and the Credit Facility Provider of any Credit Facility then in effect. Facsimile copies of each such instrument shall be delivered by the Authority to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Trust Agreement with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Authority or of not less than ten percent of the Holders.

#### **Section 6.09. Successor Trustee.**

If the Trustee shall resign, be removed, be dissolved or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee shall be appointed by the Authority. Copies of any instrument of the Authority providing for any such appointment shall be delivered by the Authority to the Trustee so appointed and the predecessor Trustee and the Credit Facility Provider of any Credit Facility then in effect. The Authority shall mail notice of any such appointment to each Holder within 90 days after such appointment.

If in a proper case no appointment of a successor Trustee shall be made within 60 days after the giving by any Trustee of any written notice of resignation in accordance with Section 6.07 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Holder may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor.

Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association having a capital and surplus aggregating at least \$100,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and authorized by law to perform all the duties of the Trustee required by this Trust Agreement.

#### **Section 6.10. Transfer of Rights and Property to Successor Trustee.**

Any successor Trustee appointed under the provisions of Section 6.09 shall execute, acknowledge and deliver to its predecessor, the Authority and the Credit Facility Provider of any Credit Facility then in effect an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the Authority or of such successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers and trusts of such Trustee and all the right, title and interest of such Trustee in and to the Trust Estate, and shall pay over, assign and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged and delivered by the Authority.

#### **Section 6.11. Merger, Conversion or Consolidation of Trustee.**

Any company into which the Trustee may be merged or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, *provided* that such company shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 6.09.

#### **Section 6.12. Trustee to File Continuation Statements.**

The Trustee shall file such Continuation Statements as may be required by the Maryland Uniform Commercial Code (the "UCC"), in order to continue perfection of the security interest of the Trustee in such property as may have been granted to the Trustee pursuant to this Trust Agreement in the time, place and manner required by the UCC, so long as a legible copy of each original filed UCC financing statement, showing the date, file number, and office of filing, is provided to Trustee following the issuance of the Series 2003 Bonds or thereafter and, in any event, not less than six months prior to the expiration date of such original filings.

### **Section 6.13. Registrar and Paying Agent.**

(a) Initially, the Trustee shall serve as Registrar and Paying Agent. Any successor Registrar and Paying Agent shall accept the duties and obligations imposed on it under this Trust Agreement by written instrument delivered to the Authority and the Trustee.

(b) In addition to the other obligations imposed on the Registrar and Paying Agent hereunder, the Registrar and Paying Agent shall:

(i) hold all Bonds delivered to it on any Tender Date in trust for the benefit of the owners thereof until the Purchase Price of such Bonds shall have been delivered to or for the account of or to the order of such owners;

(ii) hold the Purchase Price of any Bonds in trust for the benefit of the persons entitled to receive the payment of such Purchase Price;

(iii) keep such books and records as shall be consistent with prudent industry practice, which books and records shall be available for inspection by the Authority and the Trustee during normal business hours;

(iv) deliver to the Authority and the Trustee upon request, and to any other person at the Request of the holders of not less than five percent of the Bonds, a list of the names and addresses of the Bondholders; and

(v) hold Credit Facility Bonds for the benefit of the Credit Facility Provider upon the written request of the Credit Facility Provider.

(c) If at any time the Registrar and Paying Agent is unable or unwilling to act as Registrar and Paying Agent for any Bonds, the Registrar and Paying Agent may resign, upon 60 days' prior Notice to the Authority, the Trustee, the Credit Facility Provider, the Remarketing Agent, the Auction Agent and the Market Agent. Such resignation shall become effective upon the appointment of a successor Registrar and Paying Agent and the acceptance of such appointment by such successor. The Registrar and Paying Agent for any Bonds may be removed at any time by the Authority, by Notice delivered to the Trustee, the Registrar and Paying Agent, the Credit Facility Provider, the Remarketing Agent, the Auction Agent and the Market Agent. Upon resignation or removal of the Registrar and Paying Agent, the Authority shall appoint a successor Registrar and Paying Agent, which shall be a commercial bank having trust powers or a trust company or a national banking association having trust powers, in each case that has a combined capital and surplus of at least \$25,000,000. Upon the resignation or removal of the Registrar and Paying Agent, the Registrar and Paying Agent shall pay over, assign and deliver any moneys and Bonds held by it in trust pursuant to this Trust Agreement to its successor. Removal of the Registrar and Paying Agent shall become effective upon the appointment of a successor Registrar and Paying Agent and the acceptance of such appointment by such successor.

(d) The Registrar and Paying Agent shall be entitled to compensation for services rendered hereunder (subject to any contract or agreement entered into between the Authority and the Registrar

and Paying Agent with respect thereto) and to indemnification by the Authority or by others hereunder on the same basis and to the same extent as the Trustee for the performance of its services. The Registrar and Paying Agent shall enjoy the same protections and immunities as the Trustee hereunder.

(e) The duties and obligations of the Registrar and Paying Agent shall be determined by the express provisions of this Trust Agreement, and the Registrar and Paying Agent shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Trust Agreement. The Registrar and Paying Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful default.

(f) The Registrar and Paying Agent shall hold any remarketing proceeds and amounts realized under any Credit Facility in trust for the benefit of the holders of the Bonds and such remarketing proceeds and amounts realized under any Credit Facility shall not be subject to any lien of the Registrar and Paying Agent.

#### **Section 6.14. Remarketing Agent.**

The Remarketing Agent shall accept the duties and obligations imposed on it under this Trust Agreement by written instrument delivered to the Authority and the Trustee. The Remarketing Agent may be removed at any time by the Authority, by Notice to the Remarketing Agent, the Trustee, the Registrar and Paying Agent and the Credit Facility Provider.

If the Remarketing Agent resigns or is removed or is otherwise unable to perform its duties and no substitute Remarketing Agent is appointed, the Registrar and Paying Agent shall perform the function of receiving notices of tender of the Bonds in accordance with Section 3.05(a).

The Remarketing Agent shall hold any remarketing proceeds and amounts realized under any Credit Facility in trust for the benefit of the holders of the Bonds and such remarketing proceeds and amounts realized under any Credit Facility shall not be subject to any lien of the Remarketing Agent.

#### **Section 6.15. Auction Agent.**

The Authority shall appoint an Auction Agent prior to any conversion of the Bonds to an Auction Rate Period and thereafter upon any resignation or removal of the Remarketing Agent. The Auction Agent shall evidence its acceptance of its appointment hereunder by entering into an Auction Agent Agreement with the Authority. The Auction Agent may at any time resign and be discharged of the duties and obligations created by this Trust Agreement by giving at least 45 days' Notice to the Authority, the Trustee, the Registrar and Paying Agent, the Market Agent and the Credit Facility Provider. The Auction Agent may be removed by the Authority (i) upon at least 45 days' Notice without cause, *provided* that if the Bonds are then in an Auction Rate Period, the Authority shall have entered into an Auction Agent Agreement with a successor Auction Agent or (ii) at any time for cause. Any successor Auction Agent shall be (i) a bank, trust company or national banking association duly organized under the laws of the United States of America or any state or territory thereof having a combined capital stock, surplus and undivided profits of at least \$25,000,000 or (ii) a member of the

National Association of Securities Dealers, Inc., having a capitalization of at least \$25,000,000 and, in either case, authorized by law to perform all the duties imposed upon it under the Auction Agent Agreement.

**Section 6.16. Market Agent.**

The Authority shall appoint a Market Agent prior to any conversion of the Bonds to an Auction Rate Period and thereafter upon any resignation or removal of the Market Agent. The Market Agent shall be a Broker-Dealer, and shall signify its acceptance of the duties and obligations imposed on it hereunder as Market Agent by the execution of a Market Agent Agreement. The Market Agent may at any time resign and be discharged of the duties and obligations created by this Trust Agreement by giving at least 45 days' Notice to the Authority, the Trustee, the Registrar and Paying Agent, the Auction Agent and the Credit Facility Provider. The Market Agent may be removed by the Authority (i) upon at least 45 days' Notice, *provided* that if the Bonds are then in an Auction Rate Period, the Authority shall have entered into a Market Agent Agreement with a successor Market Agent or (ii) at any time for cause.

**Section 6.17. Broker-Dealer.**

The Authority shall appoint a Broker-Dealer prior to any conversion of the Bonds to an Auction Rate Period and thereafter upon any resignation or removal of the Broker-Dealer. The Broker-Dealer shall signify its acceptance of the duties and obligations imposed on it hereunder as Broker-Dealer by the execution of a Broker-Dealer Agreement. The Broker-Dealer may at any time resign and be discharged of the duties and obligations created by this Trust Agreement by giving at least 45 days' Notice to the Authority, the Trustee, the Registrar and Paying Agent, the Auction Agent and the Credit Facility Provider. The Broker-Dealer may be removed by the Authority (i) upon at least 45 days' Notice, *provided* that if the Bonds are then in an Auction Rate Period, the Authority shall have entered into a Broker-Dealer Agreement with a successor Broker-Dealer or (ii) at any time for cause.

**Section 6.18. Notice of Successors.**

Within 30 days of the resignation or removal of the Registrar and Paying Agent, the Remarketing Agent, the Auction Agent, the Market Agent or the Broker-Dealer for any Bonds or the appointment of a successor Registrar and Paying Agent, Remarketing Agent, Auction Agent, Market Agent or Broker-Dealer for any Bonds, the Trustee shall mail notice thereof to the holders of such Bonds and to each Rating Agency.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES

#### Section 7.01. Events of Default.

Each of the following events is hereby declared to constitute an event of default hereunder (an "Event of Default"):

(a) the principal of any Bond shall not have been paid when the same shall have become due and payable, either at maturity or by proceedings for redemption or otherwise;

(b) the interest on any Bond shall not have been paid when the same shall have become due and payable;

(c) the Purchase Price of any Bond shall not be paid on any date on which such Bond is required to be purchased by the Authority;

(d) any default under the Lease and Assignment or the Financing Agreement resulting in an Event of Default under clauses (a), (b) or (c) above.

(e) the Authority shall default in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in any Bond or in this Trust Agreement on the part of the Authority to be performed (other than as described in clause (a), (b) or (c) above), which default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority by the Trustee, *provided* that, if the Authority shall proceed to take any curative action which, if begun and prosecuted with due diligence, cannot be completed within a period of 30 days, then such period shall be increased to such extent as shall be necessary to enable the Authority to complete such curative action through the exercise of due diligence.

A default under this Trust Agreement with respect to the Bonds shall not be or constitute a default under any other trust agreement entered into by the Authority or with respect to any other indebtedness of the Authority, and no default under any other trust agreement entered into by the Authority or with respect to any other indebtedness of the Authority shall be or constitute a default under this Trust Agreement.

#### Section 7.02. Enforcement.

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may proceed, and upon the written request of not less than 25% of the Holders shall proceed, to protect and enforce its rights and the rights of the Holders under the laws of the State and under this Trust Agreement and any Credit Facility by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained herein or therein, or in aid or



execution of any power herein or therein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy upon the occurrence of an Event of Default under this Trust Agreement, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Authority, for principal of or interest on the Bonds, or otherwise under any of the provisions of this Trust Agreement or of any Bonds, with interest on overdue payments of principal at the rate or rates of interest specified in the Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders, and to recover and enforce judgment or decree against the Authority, but solely as provided herein and in the Bonds and from the sources and moneys provided herein and in the Bonds, for any portion of such amounts remaining unpaid and to collect in any manner provided by law the moneys adjudged or decreed to be payable.

The principal of the Bonds shall not be subject to acceleration by the Trustee or the Bondholders upon the occurrence of any Event of Default notwithstanding any other provision of this Trust Agreement.

### **Section 7.03. Priority of Payments Following Default.**

If at any time there shall have occurred and be continuing an Event of Default, after payment of all amounts owing to the Trustee under this Trust Agreement, amounts held by the Trustee hereunder, together with any moneys thereafter becoming available for such purpose, whether through exercise of the remedies provided in this Article or otherwise, shall be applied as follows:

(a) unless the principal of all Outstanding Bonds shall have become due and payable, all such moneys shall be applied:

**FIRST:** to the payment to the persons entitled thereto of all installments of interest then due on the Bonds Outstanding and all amounts, if any, due under the Credit Facility Agreements as a result of any amounts realized under the Credit Facilities issued thereunder for the payment of interest due on such Bonds and interest on amounts realized under such Credit Facilities for the payment of the principal or Redemption Price of and interest on, and the Purchase Price of, such Bonds, in the order in which such amounts became due and payable and, if the amount available shall not be sufficient to pay in full all such amounts due on any particular date, then to the payment of such amounts, ratably, according to the amounts due on such date, to the persons entitled thereto, without any discrimination or preference, except as to any difference in the respective rates of interest specified in such Bonds and Credit Facility Agreements;

**SECOND:** to the payment to the persons entitled thereto of the unpaid principal of any Outstanding Bonds that shall have become due and payable and all amounts, if any, due under the Credit Facility Agreements as a result of any amounts realized under the Credit Facilities issued

thereunder for the payment of the principal or Redemption Price of such Bonds, in the order of their due dates, with interest thereon from the respective dates upon which such amounts shall have become due and payable and, if the amount available shall not be sufficient to pay in full the all such amounts due on any particular date, together with such interest, then first to the payment of such interest, ratably, according to the amount of interest due on such date, and then to the payment of the balance due hereunder, ratably, according to the amount due on such date, to the persons entitled thereto, without any discrimination or preference, except as to any difference in the respective rates of interest specified in the Bonds and Credit Facility Agreements; and

THIRD: to the payment of any other amounts due under the Credit Facility Agreements; and

(b) if the principal of all Outstanding Bonds shall have become due by their terms, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon such Bonds and all amounts, if any, due under the Credit Facility Agreements as a result of any amounts realized under the Credit Facilities issued thereunder for the payment of the principal or Redemption Price of and interest on, or the Purchase Price of, such Bonds and interest on such amounts, ratably, according to the amounts due, to the persons entitled thereto, without any without preference or priority of principal over interest or of interest over principal, or of any Bond or Credit Facility Agreement over any other Bond or Credit Facility Agreement, except as to any difference in the respective rates of interest specified in the Bonds and Credit Facility Agreements.

Notwithstanding any other provision of this Trust Agreement (i) if any Supplemental Trust Agreement provides for the establishment of separate funds and accounts for one or more Series of Bonds, amounts on deposit in the funds and accounts established for such Bonds shall be applied solely to the payment of amounts due on such Bonds and amounts payable under any Credit Facility Agreement with respect to such Bonds as a result of amounts realized under any Credit Facility issued thereunder for the payment of the principal or Redemption Price of and interest on, and the Purchase Price of, such Bonds, and accrued interest on such amounts; (ii) the Purchase Price of any Bonds deposited in a Purchase Account shall be applied solely to the payment of the Bonds for which such deposit is made; (iii) proceeds of the 2003 Credit Facility deposited in the 2003 Credit Facility Proceeds Funds shall be applied solely to the payment of Series 2003 Bonds secured by the 2003 Credit Facility; (iv) the Trustee shall allocate any other amounts held by the Trustee hereunder among the Outstanding Bonds of each Series after giving effect to the application of amounts on deposit in the funds and accounts maintained for such Bonds to the payment thereof, *provided* that the amount allocated to any Series of Bonds hereunder shall not exceed the amount necessary to pay the principal of and interest on such Bonds after the application to such payment of any amount on deposit in any Debt Service Reserve Fund securing such Bonds; (v) prior to the application of any moneys that constitute proceeds of any Series of Tax-Exempt Bonds or the investment earnings on such proceeds to the payment of any Bond of any other Series, the Trustee shall obtain a Favorable Opinion of Bond Counsel; and (vi) no payments shall be made to reimburse the 2003 Credit Facility Provider for amounts paid under the 2003 Credit Facility or to pay any principal of or interest on any Credit Facility Bonds if any Credit Facility Default with respect to the Series 2003 Bonds shall have occurred and be continuing.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee may determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The setting aside of such moneys in trust for the benefit of all Holders shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Authority, to any Holder or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Trust Agreement as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an Interest Payment Date for the Bonds unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal of the Bonds to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date. The provisions of this paragraph shall be subject in all respects to the provisions of the Bonds with respect to the payment of defaulted interest on the Bonds. The Trustee shall not be required to make payment to the Holder of any Bond unless such Bond shall be presented to the Trustee for appropriate endorsement.

#### **Section 7.04. Discontinuance of Proceedings.**

In case any proceedings taken by the Trustee or the Holders on account of any default with respect to the Bonds shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or such Holders, then and in every such case the Authority, the Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

#### **Section 7.05. Majority of the Holders May Control Proceedings.**

Anything in this Trust Agreement to the contrary notwithstanding, a majority of the Holders shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under this Trust Agreement, *provided* that such direction shall not be otherwise than in accordance with law and the provisions of this Trust Agreement and that the Trustee shall have the right to decline to follow any such direction which, in the opinion of the Trustee, would be unjustly prejudicial to Holders not parties to such direction.

#### **Section 7.06. Restrictions Upon Action by Individual Holders.**

No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law on any Bond for the execution of any trust hereunder or for any other remedy hereunder unless (i) such Holder previously shall have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, (ii) not less than 25% of Holders

shall have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by this Trust Agreement or to institute such action, suit or proceeding in its or their name, and (iii) there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Trust Agreement or to any other remedy hereunder. Notwithstanding the foregoing provisions of this Section and without complying therewith, 25% or more of the Holders may institute any such suit, action or proceeding in their own names for the benefit of all Holders.

It is understood and intended that, except as otherwise provided above, no one or more Holders shall have any right in any manner whatever to affect, disturb or prejudice the security of this Trust Agreement or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted and maintained in the manner herein provided and for the benefit of all Holders and that any individual right of action or other right given by law to one or more of such Holders is restricted by this Trust Agreement to the rights and remedies herein provided.

#### **Section 7.07. Actions by Trustee.**

All rights of action under this Trust Agreement or under any Bond may be enforced by the Trustee without the possession of any Bond or the production thereof at the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all Holders, all subject to the provisions of this Trust Agreement.

#### **Section 7.08. No Remedy Exclusive.**

No remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

#### **Section 7.09. No Delay or Omission Construed as a Waiver; Waiver of Default.**

No delay or omission of the Trustee or of any Holder to exercise any right or power accruing upon any default shall impair any such right or power, nor shall any such delay or omission be construed to be a waiver of any such default or an acquiescence therein. Every power and remedy given by this Article to the Trustee and the Holders, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of not less than 25% of the Holders shall, waive any default with respect to Bonds which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Trust

Agreement or before the completion of the enforcement of any other remedy under this Trust Agreement; but no such waiver shall extend to or affect any other existing or any subsequent default or impair any rights or remedies consequent thereon.

**Section 7.10. Notice of Default.**

The Trustee shall mail to all Holders written notice of the occurrence of any Event of Default of which the Trustee shall have actual knowledge within 30 days after such Event of Default shall have occurred and be known to it. The Trustee shall not be subject to any liability to any Holder by reason of its failure to mail any notice required by this Section.

**ARTICLE VIII**

**MODIFICATION OR AMENDMENT OF TRUST AGREEMENT**

**Section 8.01. Modification or Amendment of Trust Agreement Without Consent.**

Without notice to, or the consent of, the Holders, the Authority and the Trustee may enter into a Supplemental Trust Agreement supplementing, modifying or amending this Trust Agreement or any Supplemental Trust Agreement at any time or from time to time for one or more of the following purposes:

(a) to grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Trustee for the benefit of the Holders;

(b) to add to the covenants and agreements of the Authority contained in this Trust Agreement, other covenants and agreements thereafter to be observed relative to the acquisition, construction, equipping, operation, maintenance, development or administration of the Facilities, or the application, custody, use or disposition of the proceeds of Bonds;

(c) to surrender to the Trustee any right, power or privilege reserved to or conferred upon the Authority by this Trust Agreement;

(d) to confirm, as further assurance, any pledge under, and the subjection to any lien on, or claim or pledge of (whether created or to be created by this Trust Agreement), the Trust Estate;

(e) to cure any ambiguity or to cure or correct any defect or inconsistent provisions contained in this Trust Agreement or to make such provisions in regard to matters or questions arising under this Trust Agreement as may be necessary or desirable and not contrary to or inconsistent with this Trust Agreement;

(f) to provide for the issuance of Additional Bonds, including (without limitation) any modifications or amendments required to grant to or otherwise secure for the Holders of such

Additional Bonds a parity interest in the security granted to the holders of the Series 2003 Bonds and any other then-Outstanding Bonds in accordance with Section 2.05;

(g) to permit the qualification of this Trust Agreement or any Supplemental Trust Agreement under any federal statute now or hereafter in effect or under any state blue sky law and, in connection therewith, to add to this Trust Agreement or any Supplemental Trust Agreement such other terms, conditions and provisions as may be permitted or required by such federal statute or state blue sky law;

(h) to obtain or to maintain any ratings on the Bonds of any Series from any nationally recognized securities rating agency;

(i) to provide for the issuance of any Bonds in coupon form or in book entry form, to change any Securities Depository or to discontinue any book-entry system, *provided* that, prior to the effective date of any such amendment that provides for the issuance of any Tax-Exempt Bonds in coupon form, there shall be delivered to the Authority a Favorable Opinion of Bond Counsel;

(j) to preserve the excludability from gross income for federal income tax purposes of the interest paid on any Tax-Exempt Bonds theretofore issued; or

(k) to make any other change in this Trust Agreement, *provided* that (i) such change shall not become effective with respect to any Bond until the immediately succeeding Auction Date or Tender Date applicable to such Bond (including any date that may constitute a Tender Date upon the election of such holder), (ii) at least 35 days' notice of such change shall have been given to such holder and (iii) if such change is to become effective during an Auction Rate Period then in effect, Sufficient Clearing Bids exist at the Auction immediately preceding the effective date of such change.

(l) to make any other change in this Trust Agreement that, in the opinion of the Trustee, shall not prejudice in any material respect the rights of the Holders of the Bonds Outstanding at the date as of which such change shall become effective.

## **Section 8.02. Supplemental Trust Agreements Requiring Consent of Holders.**

In addition to Supplemental Trust Agreements permitted by Section 8.01, with the prior written consent of a the Holders of majority of the Bonds affected thereby, the Authority and the Trustee may enter into at any time and from time to time Supplemental Trust Agreements amending or supplementing this Trust Agreement, any Supplemental Trust Agreement or any Bond to modify any of the provisions thereof or to release the Authority from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained, *provided* that nothing contained herein shall permit (i) a change in any terms of redemption or purchase of any Bond, the due date for the payment of the principal of or interest on any Bond or any reduction in the principal, Redemption Price or Purchase Price of or interest rate on any Bond without the consent of the Holder of such Bond, or (ii) the creation of a claim or lien upon, or a pledge of, the Trust Estate ranking prior to or on a parity with the claim, lien and pledge created by this Trust Agreement as security for the Series 2003 Bonds and any Additional Bonds issued within the limitations of this Trust Agreement, a preference or priority of any Bond over any other Bond or a reduction in the percentage of Bonds the consent of the Holders of

which is required for any modification of this Trust Agreement without the unanimous consent of the Holders.

**Section 8.03. Restriction on Amendment; Execution of Supplemental Trust Agreements.**

Neither this Trust Agreement, any Supplemental Trust Agreement, nor any Bond shall be supplemented or amended in any respect except as provided in this Article. Any Supplemental Trust Agreement authorized by Section 8.01 or 8.02 may be entered into by the Authority and the Trustee without notice to or the consent of the Holders but shall become effective only on the conditions, to the extent and at the time provided herein and in such Section.

The Trustee shall not be obligated to enter into any Supplemental Trust Agreement or amendment which adversely affects the Trustee's rights, duties or immunities under this Trust Agreement.

**Section 8.04. Notation on Bonds.**

Bonds authenticated and delivered after the effective date of any Supplemental Trust Agreement entered into by the Authority may, and if the Trustee or the Authority so determines, shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee of such action. If the Authority or the Trustee shall so determine, new Bonds modified as necessary, in the opinion of the Trustee and the Authority, to conform to such Supplemental Trust Agreement shall be prepared, authenticated and delivered and, upon demand of the holder of any Outstanding Bonds and surrender of such Bonds to the Trustee, such Bonds shall be exchanged, without cost to such holder, for a new Bond so modified.

**Section 8.05. Consent of Credit Facility Provider.**

Notwithstanding any other provision of this Trust Agreement, so long as no Credit Facility Default shall have occurred and be continuing, the Trustee and the Authority shall not enter into any Supplemental Trust Agreement or otherwise amend, modify or supplement this Trust Agreement without the prior written consent of the Credit Facility Provider, which may not be unreasonably withheld.

**Section 8.06. Advice to Rating Agencies of Supplements and Amendments.**

The Trustee shall advise the Rating Agencies of the execution of any Supplemental Trust Agreement and of any amendment of the Credit Facility or the Facilities Contract and promptly shall forward copies thereof to the Rating Agencies.

## ARTICLE IX

### DEFEASANCE

#### Section 9.01. Defeasance.

(a) If the Authority shall pay or cause to be paid the principal or Redemption Price of and interest on all Bonds at the times and in the manner stipulated therein, in this Trust Agreement and in any Supplemental Trust Agreement authorizing the issuance of any Additional Bonds, then the pledge of the Trust Estate to the Trustee for the benefit of the Holders and all other rights granted hereby to the Trustee or the Holders shall be discharged and satisfied. In such event, upon the request of the Authority, the Trustee shall execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay or deliver to the Authority, or to such officer, board or body as may then be entitled by law to receive the same, all property held by it pursuant to this Trust Agreement (other than any moneys and securities required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption).

(b) A Series 2003 Bond and any Additional Bond, except as otherwise provided in any Supplemental Trust Agreement authorizing the issuance thereof, shall be deemed to have been paid within the meaning of, and with the effect expressed in, this Section if (i) money for the payment or redemption of such Bond shall be held by the Trustee (through deposit by the Authority of moneys for such payment or redemption or otherwise, regardless of the source of such moneys), whether at or prior to the maturity or the redemption date of such Bond, or (ii) if the maturity or redemption date of such Bond shall not have arrived, provision shall have been made by the Authority for the payment of the principal or Redemption Price of and interest on, and the Purchase Price of, such Bond on the due dates for such payments by deposit with the Trustee (or other method satisfactory to the Trustee) of Government Obligations, the principal of and the interest on which when due will provide for such payment, *provided* that, if such Bond is to be redeemed prior to the maturity thereof, the Authority shall have taken all action necessary to redeem such Bond and notice of such redemption shall have been duly and irrevocably given or provisions satisfactory to the Trustee shall have been made for the giving of such notice.

(c) If the Authority shall determine to provide for the payment of all of the Bonds of any Series in accordance with this Section, upon the direction of the Authority, the Trustee shall set aside any amounts on deposit in any funds and accounts maintained for the Bonds of such Series (other than amounts theretofore set aside for the payment of particular Bonds of such Series in accordance with Section 10.04) for the payment of the principal or Redemption Price of and interest on, and the Purchase Price of, such Bonds on the due dates for such payments in accordance with this Section. If all of the Bonds of any Series shall have been paid in accordance with this Trust Agreement, amounts on deposit in any funds and accounts maintained for such Bonds (other than amounts set aside for the payment of particular Bonds of such Series in accordance with Section 10.04) shall be paid to or upon the order of the Authority. The provisions of this paragraph shall be subject in all respects to the provisions of any Supplemental Trust Agreement authorizing any Additional Bonds.



(d) The Trustee shall provide notice to the Rating Agencies if the Authority shall pay or cause to be paid the principal or Redemption Price of and interest on all Bonds and the pledge of the Trust Estate to the Trustee for the benefit of the Holders and all other rights granted hereby to the Trustee or the Holders shall be discharged and satisfied.

(e) In the event Bonds of a Series are deemed paid pursuant to this Section the Trustee shall surrender any Credit Facility securing such Bonds to the Credit Facility Provider of such Credit Facility.

(f) Anything in this Trust Agreement to the contrary notwithstanding, at the written request of the Authority, any moneys held by the Trustee in trust for the payment of any of the Bonds that remain unclaimed for four years after the later of the date at which such Bonds became due and payable and the date of deposit of such moneys shall be repaid by the Trustee to the Authority, or to such officer, board or body as may then be entitled by law to receive such moneys, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto.

## ARTICLE X

### MISCELLANEOUS

#### **Section 10.01. Further Assurances.**

So far as it may be authorized by law, the Authority shall pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights and other property hereby pledged or assigned, or intended so to be, or which the Authority may hereafter become bound to pledge or assign.

#### **Section 10.02. Consent of Holders; Evidence of Signatures of Holders and Ownership of Bonds.**

Any request, direction, consent or other instrument which this Trust Agreement may require or permit to be signed and executed by the Holders may be in one or more instruments of similar tenor, and shall be signed or executed by such Holders in person, by their legal representatives or by their attorneys duly appointed in writing. Except as otherwise expressly provided herein, proof of the execution of any such instrument or of an instrument appointing any such attorney, or the holding by any person of such Bond shall be sufficient for any purpose of this Trust Agreement and shall be conclusive in favor of the Trustee, the Registrar and Paying Agent and the Authority, with regard to any action taken by any of them under such instrument if made in the following manner:

(a) the fact and date of the execution by any Holder or Holder's attorney or legal representative of such instrument may be proved by the certificate (which need not be acknowledged or verified) of an officer of a bank or trust company satisfactory to the Trustee or the Registrar and Paying Agent (as the case may be) or of any notary public or other officer authorized to take acknowledgments

of deeds to be recorded in the state in which such officer purports to act, that the person signing such instrument acknowledged to such officer the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer; and the authority of any person executing any such instrument on behalf of a corporate Holder may be established without further proof if such instrument is signed by a person purporting to be the president or a vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary, its cashier or an assistant cashier; and

(b) the ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the registration books established with respect to such Bonds.

Notwithstanding the foregoing, the Trustee may in its discretion require further or other proof in any case in which it deems such further or other proof desirable.

Notwithstanding the foregoing provisions of this Section, for the purposes of making any request or giving or withholding any consent, vote or direction permitted or required to be made or given by any holder of any Bond under this Trust Agreement or any Supplemental Trust Agreement, (i) the 2003 Credit Facility Provider shall be deemed to be the holder of the Series 2003 Bonds and (ii) the Supplemental Trust Agreement authorizing the issuance of any Additional Bond secured by a Credit Facility may provide that the issuer of such Credit Facility shall be deemed the holder of such Bond.

Any request, direction, consent or vote of the Holder of any Bond given in accordance with this Trust Agreement or any Supplemental Trust Agreement shall bind all future Holders of such Bond with respect to anything done or suffered to be done or omitted to be done by the Authority or the Trustee in accordance therewith.

#### **Section 10.03. Preservation by Trustee and Inspection of Documents.**

All documents received by the Trustee from the Authority, the Holders or otherwise under the provisions of this Trust Agreement shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, any Holder and their agents and representatives, any of whom may make copies thereof.

#### **Section 10.04. Moneys and Funds Held for Particular Bonds.**

Amounts held by the Trustee for the payment of the principal or Redemption Price of and interest on, or the Purchase Price of, Bonds due on any date shall, pending such payment, be set aside and held in trust by it for the Holders of such Bonds and, for the purposes of this Trust Agreement, such principal or Redemption Price of and interest on, or such Purchase Price, such Bonds shall no longer be considered to be unpaid, and the holders of such Bonds shall have no further rights under this Trust Agreement except to receive payment from such amounts set aside or held for such payment.

**Section 10.05. No Recourse Against Members and Officers.**

No recourse shall be had for the payment of the principal or Redemption Price of and interest on, or the Purchase Price of, the Bonds or for any claims based thereon or on this Trust Agreement against any member or officer, employee or agent of the Authority, all such liability, if any, being expressly waived and released by every Holder of Bonds by the acceptance of such Bonds.

**Section 10.06. Severability of Invalid Provision.**

If any covenant or agreement in this Trust Agreement is determined to be contrary to law, then such covenant or agreement shall be null and void and shall in no way affect the validity of the other provisions of this Trust Agreement or of the Bonds.

**Section 10.07. Notices.**

(a) Any notice or other instrument authorized or required to be given to the Authority, the Trustee, the Registrar and Paying Agent, the Remarketing Agent, the 2003 Credit Facility Provider or the Rating Agencies pursuant to this Trust Agreement shall be sent by telex or other telecommunication device capable of creating a written record or delivered personally or sent by registered or certified mail, postage prepaid, addressed as follows (or to such other address as may be designated by written notice given hereunder):

In the case of the Authority:

Maryland Transportation Authority  
2310 Broening Highway, Suite 150  
Baltimore, Maryland 21224  
Attention: Executive Secretary  
Telephone: 410-537-1001  
Facsimile: 410-537-1003

In the case of the Trustee or the Registrar and Paying Agent:

Manufacturers and Traders Trust Company  
25 South Charles Street  
Baltimore, Maryland 21201  
Telephone: 410-244-4224  
Facsimile: 410-244-2436

In the case of the Remarketing Agent:

UBS Financial Services, Inc.  
1285 Avenue of the Americas  
New York, New York 10019  
Attention: Municipal Short-Term Underwriting Desk  
Telephone: (212) 713-4692  
Facsimile: (212) 969-7795

In the case of the 2003 Credit Facility Provider:

State Street Bank and Trust Company  
State Street Financial Center SFC/5  
Once Lincoln Street  
Boston, Massachusetts 02111-2900  
Attention: Darren A. DeGennaro  
Telephone: 617-664-4237  
Facsimile: 617-310-5782

In the case of Rating Agency:

Moody's Investors Service, Inc.  
99 Church Street  
New York, New York 10007  
Attention: Public Finance Department,  
Structured Finance Department  
Telephone: (212) 553-4100  
Facsimile: (212) 553-4090

Fitch Ratings  
One State Street Plaza  
New York, New York 10004  
Telephone: (212) 908-0500  
Facsimile: (212) 480-4421

(b) Except as otherwise provided in any Supplemental Trust Agreement authorizing the issuance of any Additional Bonds with respect to such Bonds, when any notice is required to be given to the holder of any Bond, such notice shall be mailed by first-class mail to the registered owner of such Bond at such owner's address as it appears on the registration books maintained by the Registrar and Paying Agent. Any notice mailed as provided herein will be conclusively presumed to have been given, whether or not actually received by the addressee.

**Section 10.08. Other Trust Agreements.**

The Authority expressly reserves the right to enter into one or more other trust agreements and to issue bonds, notes and other obligations thereunder without compliance with the provisions hereof.

**Section 10.09. Business Days.**

Except as otherwise expressly provided herein or in any Supplemental Trust Agreement, if any date specified herein for the payment of any Bond or the performance of any act shall not be a Business Day, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made on such date.

**Section 10.10. Interested Parties.**

Nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Authority, the Trustee and the Holders any right, remedy or claim under or by reason of this Trust Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Trust Agreement contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee and the Holders.

**Section 10.11. Execution in Several Counterparts.**

This Trust Agreement 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 10.12. Governing Law.**

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

**Section 10.13 Security Agreement.**

This Trust Agreement constitutes a security agreement under the Uniform Commercial Code as in effect in the State of Maryland.

IN WITNESS WHEREOF, the parties hereto have caused this Trust Agreement to be duly executed, sealed and delivered, all as of the day and year first above written.

(SEAL)

**MARYLAND TRANSPORTATION AUTHORITY**

ATTEST:

By: *Thomas L. Osborne*  
Thomas L. Osborne  
Executive Secretary



*David F. McManus III*

(SEAL)

**MANUFACTURERS AND TRADERS TRUST COMPANY,**  
as trustee

ATTEST:

By: *David F. McManus III*  
Name:  
Title:

*David F. McManus III*

Approved for Form and Legal Sufficiency

*Edward A. Dardine*  
Assistant Attorney General  
Maryland Transportation Authority

STATE OF MARYLAND, COUNTY OF Baltimore, TO WIT:

I HEREBY CERTIFY that on this 1<sup>st</sup> day of Dec in the year 2003, before the subscriber, a Notary Public in and for the State of Maryland, personally Thomas L. Osborne, the Executive Secretary of Maryland Transportation Authority, and that he, as such officer, being authorized so to do, executed the foregoing Trust Agreement for the purposes therein contained, by signing his name thereto as the Executive Secretary of Maryland Transportation Authority and causing the corporate seal of Maryland Transportation Authority to be affixed thereto.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

(SEAL)

Thomas L. Osborne  
Notary Public  
My Commission Expires:

STATE OF MARYLAND, CITY OF Baltimore, TO WIT:

I HEREBY CERTIFY that on this 7<sup>th</sup> day of December in the year 2003, before the subscriber, a Notary Public in and for the State of Maryland, personally appeared John J. ..., a ... of Manufacturers and Traders Trust Company, a banking corporation duly organized and existing under the laws of the State of New York, and that he, as such officer, being authorized so to do, executed the foregoing Trust Agreement for the purposes therein contained, by signing his name thereto as a ... of such corporation and causing the corporate seal of such corporation to be affixed thereto.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

(SEAL)

John J. ...  
Notary Public  
My Commission Expires: 8/1/03

**DESCRIPTION OF AIRPORT FACILITIES PROJECTS**

- Terminal Roadway Expansion and Improvement. This project provides for the extension of the upper level terminal roadway by 700 linear feet to accommodate the new Concourse A facility. The upper level includes two 15-foot wide commercial lanes and four 12-foot wide non-commercial lanes, and the lower level includes two 15-foot wide commercial lanes, four 11-foot wide non commercial lanes, and one 20-foot wide express lane. The work extends the full length of the road in front of the existing terminal through Concourse E. The project separates commercial vehicles from non-commercial traffic with a median.
- Terminal Pedestrian Access Expansion and Improvement. This project provides for pedestrian access to the Terminal by way of overhead pedestrian bridges or skywalks; all existing at-grade pedestrian crosswalks are being eliminated. Additionally, the terminal building's front curtainwall is being replaced on both the upper and lower levels. Associated vertical circulation cores, including elevators, escalators and chairs are to be constructed to connect to the pedestrian bridges to the Terminal as well as upgrade existing vertical circulation along the front of the hourly parking garage. These pedestrian bridges are located at Concourses A, B, and D, extending from the hourly parking garage to the terminal. Both the garage roof circulation and the pedestrian bridges will enclose moving walkways and be air conditioned and heated.
- 15R Parallel Taxiway and Airfield Ramp. This project provides for the construction of approximately 1,500 feet of a 75-foot wide taxiway parallel to Runway 15R and a 1,001,872 foot new aircraft parking apron to support the Concourse A expansion. Additionally, there will be a remote aircraft parking apron adjacent to the concourse. This project is 75% federally funded through the Airport Improvement Program; the balance is PFC funded.
- Common Use Terminal Equipment (CUTE) for International Terminal Fitout. This project provides for the installation of a state of the art CUTE for 52 ticket counter positions and five gate positions in the International Terminal. This system will allow BWI Airport to have the most flexibility in attracting new carriers while enhancing the use and control of this space. The system acts as an interface to existing airline systems allowing any airline to use CUTE configured ticket counter and gate.



**FORMS OF SERIES 2003 BONDS**



been paid or duly provided for, in which case the date of authentication hereof, or unless interest has been paid or duly provided for on the Bonds (as hereinafter defined), in which case from the Dated Date of the Bonds, until payment of the principal hereof has been made or duly provided for.

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 regular record date (the "Record Date"), which shall be: (a) during any Variable Rate Period (as hereinafter defined), the Business Day next preceding each Interest Payment Date, (b) during any Fixed Rate Period, the close of business on the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date, and (c) during any Auction Rate Period, the day specified in Exhibit C of the Trust Agreement and payable by wire transfer or by 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"). Such payment of interest shall be by wire transfer or check mailed to the registered owner at such owner's address as it appears on the bond registration books maintained by the Bond Registrar. Notice of any Special Record Date will be given as hereinafter provided 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. If any payment of the principal or redemption price of or interest on this bond shall be due on a day other than a Business Day (defined herein), such payment shall be made on the next Business Day with like effect as if made on the originally scheduled date. A "Business Day" is any date which is not (i) a Saturday, a Sunday or legal holiday in the State of Maryland (the "State"), (ii) a day on which banking institutions in the State or the city in which the Designated Office of the Trustee is located are authorized or obligated to remain closed, or (iii) a day on which the New York Stock Exchange is closed.

**This bond shall not be deemed to constitute a debt or liability of the State of any political subdivision thereof, of the Department of Transportation of Maryland, (the "Department"), of the Maryland Aviation Administration (the "MAA") or of the Authority, or a pledge of the faith and credit of the State, 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, any political subdivision thereof or 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. The Authority has no taxing power.**

1. Trust Agreement. This bond is one of a duly authorized series of revenue bonds of the Authority aggregating Sixty Four Million One Hundred Thousand Dollars (\$64,100,000) in principal amount, known as "Maryland Transportation Authority Variable Rate Passenger Facility Charge Revenue Bonds, Baltimore/Washington International Airport Projects, Series 2003A (Governmental Purpose Bonds)" (the "Bonds"), duly authorized and issued by the Authority under and pursuant to (i) Sections 4-101 through 4-401 of the Transportation Article of the Annotated Code of Maryland, as amended (the "Enabling Act"), (ii) certain proceedings of the Authority, (iii) and the Trust Agreement, dated as of December 1, 2003 (as amended and supplemented from time to time, the "Trust Agreement"), by and between the Authority and Manufacturers and Traders Trust Company, as trustee (the "Trustee") to finance the cost of certain projects (the "Airport Facilities Projects") located at BWI Airport, to fund the Debt Service Reserve Fund in the amount of the Debt Service Reserve Fund Requirement (as defined in the Trust Agreement), and to pay certain costs of issuance.

The terms of the Bonds include those stated in the Trust Agreement and the Bonds are subject to all such terms. Executed counterparts of such Trust Agreement are on file at the principal corporate trust office of the Trustee in the City of Baltimore, Maryland. 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, the Remarketing Agent, the Market Agent, the Auction Agent, the Broker-Dealer, the Trustee and the Bond Registrar and Paying Agent for the Bonds and the rights of the registered owners of the Bonds. By the acceptance of this bond, the Registered Owner hereof assents to all of the provisions of the Trust Agreement. Certified copies of the Trust Agreement are on file at the Designated Office of the Trustee and at the offices of the Authority in Baltimore, Maryland. All capitalized terms used, but not defined herein, are defined in the Trust Agreement and are used herein in the same manner and with the same meaning as in the Trust Agreement.

2. Interest. The Bonds shall bear interest at the Daily Rate, the Weekly Rate, the Fixed Rate or the Auction Rate, or such other rate, as the same shall be determined from time to time, pursuant to the Trust Agreement, plus interest on overdue installments of interest, to the extent permitted by law, at the rate of interest borne by the Bonds.

3. Authorized Denominations. The Bonds are issuable as fully registered bonds without coupons in the following denominations (a) during any Variable Rate Period and during any Fixed Rate Period of one year or less, \$100,000 and any integral multiple of \$5,000 in excess of \$100,000, (b) during an Auction Rate Period, \$25,000 and any integral multiple of \$5,000 in excess of \$25,000 and (c) during a Fixed Rate Period longer than one year, \$5,000 and any integral multiple thereof.

4. Additional Bonds. The Trust Agreement provides that Additional Bonds may be issued within the limitations and provisions of the Trust Agreement. All 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.

5. Redemption.

(a) The Bonds are subject to optional and mandatory redemption prior to maturity as provided in the Trust Agreement.

(b) Notice of Redemption. The Trustee shall mail notice of any redemption at least 30 days prior to the redemption date to the registered owners of the Bonds to be redeemed at their addresses as they appear on the registration books maintained by the Trustee. The failure so to mail any such notice to any of such registered owners shall not affect the validity of the proceedings for the redemption of any Bonds.

(c) Effect of Call for Redemption. On the date designated for redemption, if all conditions, if any, to such redemption shall have been satisfied, the Bonds or portions of Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds or such portions thereof on such date and, if moneys for the payment of the redemption price and accrued interest are held by the Trustee as provided in the Trust Agreement, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue, such Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Trust Agreement, and the registered owners thereof shall have no rights in respect of such Bonds or such portions thereof so called for redemption except to receive payment of the redemption price thereof and the accrued interest thereon so held by the Trustee. If a portion of this bond shall be called for redemption, a new Bond or Bonds in the aggregate principal amount equal to the unredeemed portion hereof, of the same series and maturity and bearing interest at the same rate, shall be issued to the registered owner upon the surrender hereof.

(d) Provisions Applicable to Book-Entry Bonds. So long as all of the 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 in accordance with paragraph (c) above 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 Sum 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 in accordance with paragraph (c) above. The failure of the owner 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.

6. Tender. The Bonds shall be subject to optional and mandatory tender by the owners thereof for purchase on dates and at such prices as provided in the Trust Agreement.

5. Defeasance. The Trust Agreement prescribes the manner in which it may be discharged and provides that Bonds shall be deemed to be paid if moneys or certain Government Obligations (as defined in the Trust Agreement), the principal of and interest on which, when

due, will be sufficient to pay the principal or redemption price of and interest on such Bonds to the date of maturity or redemption thereof, shall have been deposited with the Trustee.

6. 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.

7. Transfer and Exchange. This bond may be exchanged for an equal, aggregate principal amount of 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 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.

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

9. Negotiability. As declared by the Enabling Act, this bond shall be and be deemed to be for all purposes a negotiable instrument subject only to the provisions for registration and registration of transfer stated herein.

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

11. 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 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 18th day of December, 2003.

[SEAL]

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Thomas L. Osborne  
Executive Secretary  
Of the Maryland  
Transportation Authority

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Robert L. Flanagan  
Chairman  
of the Maryland  
Transportation Authority



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. A signed original opinion of Deborah A. Donohue, Assistant Attorney General and Counsel to the Maryland Transportation Authority, and of Bond Counsel, McKennon Shelton & Henn LLP, Baltimore, Maryland, is on file with the undersigned.

MANUFACTURERS AND TRADERS  
TRUST COMPANY, as Bond Registrar

By: \_\_\_\_\_  
Authorized Officer



**FORM OF SERIES 2003B BOND**

**IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER THE ENTIRE PRINCIPAL SUM SHOWN BELOW HAS BEEN ADVANCED OR WHETHER A PART OF THE PRINCIPAL OF THIS BOND HAS BEEN PAID**

REGISTERED

UNITED STATES OF AMERICA

REGISTERED

STATE OF MARYLAND

No. R-1

\$ \_\_\_\_\_

**MARYLAND TRANSPORTATION AUTHORITY**

**Variable Rate Passenger Facility Charge Revenue Bond  
Baltimore/Washington International Airport Facility Projects  
Series 2003B  
(Qualified Airport Bonds - AMT)**

**Maturity Date**

**Dated Date**

**CUSIP No.**

\_\_\_\_\_

December 18, 2003

\_\_\_\_\_

Registered Owner: CEDE & CO.

Principal Amount: \_\_\_\_\_ Dollars (\$ \_\_\_\_\_)

**MARYLAND TRANSPORTATION AUTHORITY**, (said agency being sometimes referred to herein as the "Authority"), for value received, hereby promises to pay, but only from the Pledged Revenues (defined 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 Sum shown above (or such lesser amount as shall be outstanding hereunder from time to time in accordance with Section 5 hereof), and in like manner to pay interest on said sum at the rates and on the dates described below, from the Dated Date as set forth above and thereafter from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication hereof to which interest has been paid or duly provided

for, unless the date of authentication hereof is an Interest Payment Date to which interest has been paid or duly provided for, in which case the date of authentication hereof, or unless interest has been paid or duly provided for on the Bonds (as hereinafter defined), in which case from the Dated Date of the Bonds, until payment of the principal hereof has been made or duly provided for.

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 regular record date (the "Record Date"), which shall be: (a) during any Variable Rate Period (as hereinafter defined), the Business Day next preceding each Interest Payment Date, (b) during any Fixed Rate Period, the close of business on the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date, and (c) during any Auction Rate Period, the day specified in Exhibit C of the Trust Agreement and payable by wire transfer or by 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"). Such payment of interest shall be by wire transfer or check mailed to the registered owner at such owner's address as it appears on the bond registration books maintained by the Bond Registrar. Notice of any Special Record Date will be given as hereinafter provided 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. If any payment of the principal or redemption price of or interest on this bond shall be due on a day other than a Business Day (defined herein), such payment shall be made on the next Business Day with like effect as if made on the originally scheduled date. A "Business Day" is any date which is not (i) a Saturday, a Sunday or legal holiday in the State of Maryland (the "State"), (ii) a day on which banking institutions in the State or the city in which the Designated Office of the Trustee is located are authorized or obligated to remain closed, or (iii) a day on which the New York Stock Exchange is closed.

**This bond shall not be deemed to constitute a debt or liability of the State of any political subdivision thereof, of the Department of Transportation of Maryland, (the "Department"), of the Maryland Aviation Administration (the "MAA") or of the Authority, or a pledge of the faith and credit of the State, 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, any political subdivision thereof or 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. The Authority has no taxing power.**

1. Trust Agreement. This bond is one of a duly authorized series of revenue bonds of the Authority aggregating Five Million Six Hundred Thousand Dollars (\$5,600,000) in principal amount, known as "Maryland Transportation Authority Variable Rate Passenger Facility Charge Revenue Bonds, Baltimore/Washington International Airport Projects, Series 2003B (Qualified Airport Bonds - AMT)" (the "Bonds"), duly authorized and issued by the Authority under and pursuant to (i) Sections 4-101 through 4-401 of the Transportation Article of the Annotated Code of Maryland, as amended (the "Enabling Act"), (ii) certain proceedings of the Authority, (iii) and the Trust Agreement, dated as of December 1, 2003 (as amended and supplemented from time to time, the "Trust Agreement"), by and between the Authority and Manufacturers and Traders Trust Company, as trustee (the "Trustee") to finance the cost of certain projects (the "Airport Facilities Projects") located at BWI Airport, to fund the Debt Service Reserve Fund in the amount of the Debt Service Reserve Fund Requirement (as defined in the Trust Agreement), and to pay certain costs of issuance.

The terms of the Bonds include those stated in the Trust Agreement and the Bonds are subject to all such terms. Executed counterparts of such Trust Agreement are on file at the principal corporate trust office of the Trustee in the City of Baltimore, Maryland. 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, the Remarketing Agent, the Market Agent, the Auction Agent, the Broker-Dealer, the Trustee and the Bond Registrar and Paying Agent for the Bonds and the rights of the registered owners of the Bonds. By the acceptance of this bond, the Registered Owner hereof assents to all of the provisions of the Trust Agreement. Certified copies of the Trust Agreement are on file at the Designated Office of the Trustee and at the offices of the Authority in Baltimore, Maryland. All capitalized terms used, but not defined herein, are defined in the Trust Agreement and are used herein in the same manner and with the same meaning as in the Trust Agreement.

2. Interest. The Bonds shall bear interest at the Daily Rate, the Weekly Rate, the Fixed Rate or the Auction Rate, or such other rate, as the same shall be determined from time to time, pursuant to the Trust Agreement, plus interest on overdue installments of interest, to the extent permitted by law, at the rate of interest borne by the Bonds.

3. Authorized Denominations. The Bonds are issuable as fully registered bonds without coupons in the following denominations (a) during any Variable Rate Period and during any Fixed Rate Period of one year or less, \$100,000 and any integral multiple of \$5,000 in excess of \$100,000, (b) during an Auction Rate Period, \$25,000 and any integral multiple of \$5,000 in excess of \$25,000 and (c) during a Fixed Rate Period longer than one year, \$5,000 and any integral multiple thereof.

4. Additional Bonds. The Trust Agreement provides that Additional Bonds may be issued within the limitations and provisions of the Trust Agreement. All 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.

5. Redemption.

(a) The Bonds are subject to optional and mandatory redemption prior to maturity as provided in the Trust Agreement.

(b) Notice of Redemption. The Trustee shall mail notice of any redemption at least 30 days prior to the redemption date to the registered owners of the Bonds to be redeemed at their addresses as they appear on the registration books maintained by the Trustee. The failure so to mail any such notice to any of such registered owners shall not affect the validity of the proceedings for the redemption of any Bonds.

(c) Effect of Call for Redemption. On the date designated for redemption, if all conditions, if any, to such redemption shall have been satisfied, the Bonds or portions of Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds or such portions thereof on such date and, if moneys for the payment of the redemption price and accrued interest are held by the Trustee as provided in the Trust Agreement, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue, such Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Trust Agreement, and the registered owners thereof shall have no rights in respect of such Bonds or such portions thereof so called for redemption except to receive payment of the redemption price thereof and the accrued interest thereon so held by the Trustee. If a portion of this bond shall be called for redemption, a new Bond or Bonds in the aggregate principal amount equal to the unredeemed portion hereof, of the same series and maturity and bearing interest at the same rate, shall be issued to the registered owner upon the surrender hereof.

(d) Provisions Applicable to Book-Entry Bonds. So long as all of the 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 in accordance with paragraph (c) above 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 Sum 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 in accordance with paragraph (c) above. The failure of the owner 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.**

6. Tender. The Bonds shall be subject to optional and mandatory tender by the owners thereof for purchase on dates and at such prices as provided in the Trust Agreement.

5. Defeasance. The Trust Agreement prescribes the manner in which it may be discharged and provides that Bonds shall be deemed to be paid if moneys or certain Government

Obligations (as defined in the Trust Agreement), the principal of and interest on which, when due, will be sufficient to pay the principal or redemption price of and interest on such Bonds to the date of maturity or redemption thereof, shall have been deposited with the Trustee.

6. 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.

7. Transfer and Exchange. This bond may be exchanged for an equal, aggregate principal amount of 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 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.

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

9. Negotiability. As declared by the Enabling Act, this bond shall be and be deemed to be for all purposes a negotiable instrument subject only to the provisions for registration and registration of transfer stated herein.

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

11. 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 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 13th day of December, 2003.

[SEAL]

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Thomas L. Osborne  
Executive Secretary  
Of the Maryland  
Transportation Authority

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Robert L. Flanagan  
Chairman  
of the Maryland  
Transportation Authority

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. A signed original opinion of Deborah A. Donohue, Assistant Attorney General and Counsel to the Maryland Transportation Authority, and of Bond Counsel, McKennon Shelton & Henn LLP, Baltimore, Maryland, is on file with the undersigned.

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Bond Registrar

By: \_\_\_\_\_  
Authorized Officer

### PAYMENT GRID

Date	Advance	Principal Amount Paid	Principal Amount Outstanding	Holder's Signature

04009673

**AUCTION RATE PROCEDURES**

(1) Auction Rate

(a) During each Auction Rate Period, the Series 2003 Bonds shall bear interest at the Auction Rate. The Auction Rate for the initial Auction Period immediately after any Mandatory Tender Date after which the Series 2003 Bonds bear interest at the Auction Rate shall be the lesser of (i) the Maximum Rate and (ii) the rate of interest per annum determined by the Market Agent on a date not later than such Mandatory Tender Date to be the minimum rate of interest which, in the opinion of the Market Agent, would be necessary as of such Mandatory Tender Date to market all of the Series 2003 Bonds in a secondary market transaction at a price equal to the principal amount thereof. Notice of each Auction Rate determined by the Market Agent shall be given to the Authority and the Registrar and Paying Agent on the date of determination thereof. The Auction Rate for each other Auction Period shall be determined in accordance with the further provisions of this Section.

(b) The interest due on the Series 2003 Bonds during an Auction Rate Period shall be calculated on the basis of the actual number of days elapsed in a year of 360 days. Except as otherwise provided below, if on any Auction Date for any reason an Auction is not held, the Auction Rate for the next succeeding Auction Period shall equal the Maximum Rate on and as of such Auction Date.

(2) Auction Period.

(a) Each Auction Period shall be a Standard Auction Period unless a different Auction Period is established in accordance with this paragraph. The Authority may change the length of one or more Auction Periods or the Standard Auction Period during any Auction Rate Period, by Notice delivered at least 20 days prior to the Auction Date for such Auction Period to the 2003 Credit Facility Provider, the Auction Agent, the Registrar and Paying Agent, the Trustee and the Securities Depository.

(b) The change in length of an Auction Period or the Standard Auction Period shall take effect only if (i) Sufficient Clearing Bids (hereinafter defined) exist at the Auction immediately preceding the effective date of such change and (ii) there is delivered to the Authority, the 2003 Credit Facility Provider and the Auction Agent, by 9:30 a.m. on the first day of such Auction Period, a Favorable Opinion of Bond Counsel. The Authority may withdraw any notice of its election to change the length of any Auction Period, in which event the next succeeding Auction Period shall be a Standard Auction Period. If the condition referred to in clause (i) or (ii) above is not met, the next succeeding Auction Period shall be a Standard Auction Period.

(3) Orders.

(a) Except as otherwise provided herein, Auctions shall be conducted on each Auction Date. Prior to the Submission Deadline on each Auction Date:

(i) any existing Holder of Series 2003 Bonds (each, an "Existing Holder" or "Bidder") may submit to any Broker-Dealer an order setting forth the following information (each, an "Order"):

(A) the principal amount of Series 2003 Bonds, if any, held by such Existing Holder that such Existing Holder desires to continue to hold without regard to the Auction Rate for the next succeeding Auction Period (a "Hold Order");

(B) the principal amount of Series 2003 Bonds, if any, held by such Existing Holder that such Existing Holder offers to sell if the Auction Rate for the next succeeding Auction Period shall be less than the rate per annum specified by such Existing Holder (a "Bid"); and

(C) the principal amount of Series 2003 Bonds, if any, held by such Existing Holder that such Existing Holder offers to sell without regard to the Auction Rate for the next succeeding Auction Period (a "Sell Order");

(ii) Broker-Dealers may contact potential Holders of Series 2003 Bonds (each, a "Potential Holder" or "Bidder") to determine the principal amount of Series 2003 Bonds that each such Potential Holder offers to purchase if the Auction Rate for the next succeeding Auction Period shall not be less than the interest rate per annum specified by such Potential Holder (an "Order" or "Bid").

(b) (i) Except as otherwise provided herein, a Bid by an Existing Holder shall constitute an irrevocable offer to sell:

(A) the principal amount of Bonds specified in such Bid, if the Auction Rate determined pursuant to the Auction on such Auction Date shall be less than the interest rate per annum specified therein; or

(B) the principal amount or a lesser principal amount of Bonds specified in such Bid, if the Auction Rate determined pursuant to the Auction on such Auction Date shall be equal to the interest rate per annum specified therein; or

(C) the principal amount of Bonds specified in such Bid, if the interest rate per annum specified therein shall be higher than the Maximum Rate or such principal amount or a lesser principal amount of Bonds if such interest rate shall be higher than the Maximum Rate and Sufficient Clearing Bids do not exist.

(ii) Except as otherwise provided herein, a Sell Order by an Existing Holder shall constitute an irrevocable offer to sell:

(A) the principal amount of Bonds specified in such Sell Order; or

(B) such principal amount or a lesser principal amount if Sufficient Clearing Bids do not exist.

(iii) Except as otherwise provided herein, a Bid by a Potential Holder shall constitute an irrevocable offer to purchase:

(A) the principal amount of Bonds specified in such Bid if the Auction Rate determined on such Auction Date shall be higher than the rate specified therein; or

(B) such principal amount or a lesser principal amount of Bonds if the Auction Rate determined on such Auction Date shall be equal to such specified rate.

(c) If an Order covering all Series 2003 Bonds held by an Existing Holder is not submitted to the Auction Agent prior to the Submission Deadline, the Auction Agent shall deem a Hold Order to have been submitted on behalf of such Existing Holder covering the principal amount of Series 2003 Bonds held by such Existing Holder and not subject to Orders submitted to a Broker-Dealer.

(4) Submission of Orders by Broker-Dealers to Auction Agent; Validity of Orders.

(a) Each Broker-Dealer shall submit in writing to the Auction Agent, prior to the Submission Deadline on each Auction Date during the Auction Rate Period, all Orders obtained by such Broker-Dealer. Neither the Obligated Group nor the Authority nor the Auction Agent shall be responsible for any failure of a Broker-Dealer to submit an Order to the Auction Agent on behalf of any Existing Holder or Potential Holder.

(b) If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Auction Agent shall round such rate up to the next highest one-thousandth (.001) of 1%.

(c) If any Existing Holder submits through a Broker-Dealer to the Auction Agent one or more Orders covering in the aggregate more than the aggregate principal amount of Series 2003 Bonds held by such Existing Holder, such Orders shall be considered valid as follows and in the following order of priority:

(i) all Hold Orders shall be considered valid up to and including the aggregate principal amount of Series 2003 Bonds held by such Existing Holder and, if the aggregate principal amount of Series 2003 Bonds subject to such Hold Orders exceeds the aggregate principal amount of Series 2003 Bonds held by such Existing Holder, the aggregate principal amount of such Bonds subject to each such Hold Order shall be reduced *pro rata* to equal the aggregate principal amount of such Bonds held by such Existing Holder;

(ii) (A) Bids shall be considered valid up to and including the excess of the aggregate principal amount of Series 2003 Bonds held by such Existing Holder over the aggregate principal amount of Bonds held by such Existing Holder subject to any Hold Orders;

(B) subject to clause (A) above, if more than one Bid with the same rate is submitted on behalf of an Existing Holder and the aggregate principal amount of Series 2003 Bonds subject to Bids and Hold Orders is greater than the aggregate principal amount of such Bonds held by such Existing Holder, such Bids shall be considered valid up to and including the amount of such excess, and the aggregate principal amount of such Bonds subject to each Bid with the same rate shall be reduced *pro rata* to equal the amount of such excess;

(C) subject to clauses (A) and (B) above, if Bids with different rates are submitted on behalf of an Existing Holder, Bids shall be considered valid in the ascending order of their respective rates until the highest rate is reached at which such excess exists and then at such rate up to and including the amount of such excess; and

(D) the aggregate principal amount of Series 2003 Bonds, if any, subject to Bids not valid under this paragraph (ii) shall be treated as the subject of a Bid by a Potential Holder at the rate therein specified; and

(iii) all Sell Orders submitted through a Broker-Dealer to the Auction Agent by an Existing Holder shall be considered valid up to and including the excess of the aggregate principal amount of Series 2003 Bonds held by such Existing Holder over the aggregate principal amount of Bonds subject to valid Hold Orders referred to in clause (i) and valid Bids referred to in clause (ii) above.

(d) If more than one Bid for Series 2003 Bonds is submitted on behalf of any Potential Holder, each Bid submitted shall be a separate Bid for Bonds with the rate and principal amount therein specified.

(e) Any Bid or Sell Order submitted by an Existing Holder or Potential Holder with respect to an aggregate principal amount of Bonds not equal to an Authorized Denomination for the Series 2003 Bonds shall be rejected and, in the case of an Existing Holder, shall be deemed a Hold Order.

(f) Any Bid submitted by an Existing Holder or Potential Holder specifying a rate lower than the Minimum Rate shall be treated as a Bid specifying the Minimum Rate.

(g) Any Order submitted in an Auction by a Broker-Dealer to the Auction Agent prior to the Submission Deadline on any Auction Date shall be irrevocable.

(5) Determination of Sufficient Clearing Bids, Winning Bid Rate and Auction Rate.

(a) Not earlier than the Submission Deadline on each Auction Date during the Auction Rate Period, the Auction Agent shall assemble all valid Orders submitted or deemed submitted to it by the Broker-Dealers (each such Order being hereinafter referred to as a "Submitted Hold Order," a "Submitted Bid" or a "Submitted Sell Order," as the case may be, or as a "Submitted Order") and shall determine:

(i) the excess, if any, of the aggregate principal amount of Series 2003 Bonds outstanding over the aggregate principal amount of Series 2003 Bonds subject to Submitted Hold Orders (the "Available Auction Bonds"); and

(ii) whether "Sufficient Clearing Bids" exist, which term as used herein means that the aggregate principal amount of Series 2003 Bonds subject to Submitted Bids by Potential Holders specifying rates equal to or lower than the Maximum Rate equals or exceeds the sum of:

(A) the aggregate principal amount of Series 2003 Bonds subject to Submitted Bids by Existing Holders specifying one or more rates higher than the Minimum Rate; and

(B) the aggregate principal amount of Series 2003 Bonds subject to Submitted Sell Orders;

*provided* that "Sufficient Clearing Bids" shall not be deemed to exist if the sum of the principal amounts of Series 2003 Bonds described in clauses (A) and (B) above is zero because all of the Series 2003 Bonds are subject to Submitted Hold Orders; and

(iii) if Sufficient Clearing Bids exist, the lowest rate specified in the Submitted Bids (the "Winning Bid Rate") which if:

(A) (1) each Submitted Bid from an Existing Holder specifying such rate and (2) all other Submitted Bids from Existing Holders specifying lower rates were rejected, thus entitling such Existing Holders to continue to hold the principal amount of Bonds subject to such Submitted Bids; and

(B) (1) each Submitted Bid from a Potential Holder specifying such rate and (2) all other Submitted Bids from Potential Holders specifying lower rates were accepted, would result in Existing Holders described in clause (A) above continuing to hold an aggregate principal amount of Series 2003 Bonds which, when added to the aggregate principal amount of Series 2003 Bonds to be purchased by Potential Holders described in this clause (B), would be not less than the Available Auction Bonds.

(b) The Auction Rate for the next succeeding Auction Period shall be:

(i) if Sufficient Clearing Bids exist, the lesser of the Winning Bid Rate and the Maximum Rate;

(ii) if Sufficient Clearing Bids do not exist (other than because all of the Series 2003 Bonds are the subject of Submitted Hold Orders), the Maximum Rate; and

(iii) if all of the Series 2003 Bonds are subject to Submitted Hold Orders, the Minimum Rate.

(c) Promptly after the Auction Agent has determined the Winning Bid Rate, the Auction Agent shall determine the Maximum Rate and, if the Series 2003 Bonds will bear interest at the



Minimum Rate for the succeeding Auction Period, the Minimum Rate and the respective components thereof and shall provide notice thereof and of the Winning Bid Rate by telecopy or other electronic transmission capable of creating a written record, confirmed in writing, to the Authority.

(6) Acceptance and Rejection of Submitted Bids and Submitted Sell Orders and Allocation of Bonds.

During an Auction Rate Period, Existing Holders shall continue to hold the principal amounts of Series 2003 Bonds that are subject to Submitted Hold Orders. Submitted Bids and Submitted Sell Orders shall be accepted or rejected in accordance with this paragraph.

(a) If Sufficient Clearing Bids have been made, all Submitted Sell Orders shall be accepted and, subject to the further provisions of this paragraph, Submitted Bids shall be accepted or rejected as follows and in the following order of priority and all other Submitted Bids shall be rejected:

(i) Existing Holders' Submitted Bids specifying any rate that is higher than the Winning Bid Rate shall be accepted, thus requiring each such Existing Holder to sell the aggregate principal amount of Bonds subject to such Submitted Bids;

(ii) Existing Holders' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be rejected, thus requiring each such Existing Holder to continue to hold the aggregate principal amount of Bonds subject to such Submitted Bids;

(iii) Potential Holders' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring each such Potential Holder to purchase the aggregate principal amount of Bonds subject to such Submitted Bids;

(iv) each Existing Holder's Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be rejected, thus requiring such Existing Holder to continue to hold the aggregate principal amount of Bonds subject to such Submitted Bid, but only with respect to Series 2003 Bonds in an aggregate principal amount equal to amount obtained by multiplying (A) the excess of the Available Auction Bonds over the aggregate principal amount of Bonds subject to Submitted Bids described in clauses (ii) and (iii) above by (B) a fraction, the numerator of which is the aggregate principal amount of Bonds subject to such Submitted Bid, and the denominator of which is the aggregate principal amount of Bonds subject to Submitted Bids made by all Existing Holders that specified a rate equal to the Winning Bid, and each Existing Holder shall be required to sell the balance of the Series 2003 Bonds subject to such Submitted Bid; and

(v) each Potential Holder's Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be accepted, thus requiring each such Potential Holder to purchase the aggregate principal amount of Bonds subject to such Submitted Bid, but only with respect to Series 2003 Bonds in an aggregate principal amount equal to amount obtained by multiplying (A) the excess of the Available Auction Bonds over the aggregate principal amount of Bonds subject to Submitted Bids described in clauses (ii), (iii) and (iv) above by (B) a fraction, the numerator of which is the aggregate principal amount of Bonds subject to such Submitted Bid, and the denominator of which is

the aggregate principal amount of Bonds subject to Submitted Bids made by all Potential Holders that specified a rate equal to the Winning Bid Rate, and the Submitted Bids of Potential Holders specifying such rate with respect to the balance of the Series 2003 Bonds subject to such Submitted Bids shall be rejected.

(b) If Sufficient Clearing Bids have not been made (other than because all of the Series 2003 Bonds are subject to Submitted Hold Orders), subject to the further provisions of this Section, Submitted Orders shall be accepted or rejected as follows and in the following order of priority and all other Submitted Bids shall be rejected:

(i) Existing Holders' Submitted Bids specifying any rate that is equal to or lower than the Maximum Rate shall be rejected, thus requiring each such Existing Holder to continue to hold the aggregate principal amount of Bonds subject to such Submitted Bids;

(ii) Potential Holders' Submitted Bids specifying any rate that is equal to or lower than the Maximum Rate shall be accepted, thus requiring each such Potential Holder to purchase the aggregate principal amount of Bonds subject to such Submitted Bids; and

(iii) each Existing Holder's Submitted Bid specifying any rate that is higher than the Maximum Rate and the Submitted Sell Orders of each Existing Holder shall be accepted, thus requiring each Existing Holder that submitted any such Submitted Bid or Submitted Sell Order to sell the Bonds subject to such Submitted Bid or Submitted Sell Order, but in each case only with respect to Series 2003 Bonds in an aggregate principal amount equal to amount obtained by multiplying (A) the aggregate principal amount of Bonds subject to Submitted Bids described in clause (ii) above by (B) a fraction, the numerator of which is the aggregate principal amount of Bonds subject to such Submitted Bid or Submitted Sell Order, respectively, and the denominator of which is the aggregate principal amount of Bonds subject to Submitted Bids and Submitted Sell Orders described in this clause made by Existing Holders, and each Existing Holder shall be required to continue to hold the balance of the Series 2003 Bonds subject to such Submitted Bids and Submitted Sell Orders, respectively.

(c) If all Bonds are subject to Submitted Hold Orders, all Submitted Bids shall be rejected.

(d) If the foregoing provisions of this Section would result in any Existing Holder being required to sell, or any Potential Holder being required to purchase, an aggregate principal amount of Series 2003 Bonds that is not equal to an Authorized Denomination for such Bonds, the Auction Agent shall round up or down the principal amount of such Bonds to be purchased or sold, in such manner as in its sole discretion it shall determine, so that the aggregate principal amount of Series 2003 Bonds purchased or sold by each Existing Holder or Potential Holder shall be equal to an Authorized Denomination for such Bonds.

(e) Based on the results of each Auction, the Auction Agent shall determine the aggregate principal amounts of Bonds to be purchased and the aggregate principal amounts of Bonds to be sold by Potential Holders and Existing Holders on whose behalf each Broker-Dealer submitted Bids or Sell Orders and, with respect to each Broker-Dealer, to the extent that such amounts differ,

determine to which other Broker-Dealer such Broker-Dealer shall deliver, or from which other Broker-Dealer such Broker-Dealer shall receive, as the case may be, Bonds.

(7) Book-Entry System Required; Limitation on Transfer.

(a) The Series 2003 Bonds shall be maintained under a book-entry system with a Securities Depository at all times. If any Securities Depository resigns, the Authority shall appoint another Securities Depository and shall provide notice thereof to the Auction Agent, the Market Agent and the Registrar and Paying Agent. The Auction Rate for each Auction Date shall be the Maximum Rate as of such Auction Date during any period in which a book-entry system is not in effect for the Series 2003 Bonds.

(b) So long as the Series 2003 Bonds are maintained under a book-entry system with a Securities Depository, no Holder of such Bonds may sell, transfer or otherwise dispose of such Bonds except pursuant to a Bid or Sell Order placed in an Auction or to or through a Broker-Dealer, unless such Holder, its Broker-Dealer or its Agent Member advises the Auction Agent of such transfer.

(8) Determination of the Auction Rate following Event of Default.

Determination of the Auction Rate pursuant to the procedures described above shall be suspended upon the occurrence of an Event of Default. Upon the occurrence of an Event of Default, no Auction will be held, all Submitted Bids and Submitted Sell Orders shall be rejected and the Auction Rate shall be equal to the Overdue Rate as determined on and as of the Auction Date for each Auction Period commencing after the occurrence of such Event of Default to and including the Auction Period, if any, during which or commencing less than two Business Days after the first date as of which all Events of Default have been cured or waived, *provided* that no default shall have occurred and be continuing under the 2003 Credit Facility.

(9) Calculation of Maximum Rate and Overdue Rate.

If the Series 2003 Bonds are no longer maintained under a book-entry system with a Securities Depository, the Auction Agent shall calculate the Maximum Rate on the Business Day immediately preceding the first day of each Auction Period commencing after the delivery of certificates representing such Bonds. If an Event of Default shall have occurred, the Auction Agent, upon notice thereof, shall calculate the Overdue Rate on the first day of each Auction Period commencing thereafter until all such Events of Default are cured or waived.

**FORM OF REQUISITION**

REQUISITION

DATE: \_\_\_\_\_

Manufacturers and Traders Trust Company, as Trustee  
25 South Charles Street, 16th Floor  
Baltimore, Maryland 21201

Re: \$64,100,000 Maryland Transportation Authority  
Variable Rate Passenger Facility Charge Revenue Bonds  
Baltimore/Washington International Airport Facility Projects  
Series 2003A (Governmental Purpose Bonds)

\$5,600,000 Maryland Transportation Authority  
Variable Rate Passenger Facility Charge Revenue Bonds  
Baltimore/Washington International Airport Facility Projects  
Series 2003B (Qualified Airport Bonds - AMT)

Ladies and Gentlemen:

1. Requisition Number: \_\_\_\_\_

2. Name and address of the person  
to whom payment is due:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Amount to be paid: \$ \_\_\_\_\_

4. Brief description of services performed or materials provided:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Wiring instructions (if any):

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6. Attached hereto are invoices, bills or vouchers, paid or due and payable, in support of the amount to be paid shown in Item 3.

The above obligation constitutes a cost of the project under and as defined in that certain Trust Agreement, dated as of December 1, 2003 (the "Trust Agreement"), between the Maryland Transportation Authority (the "Authority") and you, as trustee. The bill, invoice or statement of account for such obligation, or a copy thereof, is attached hereto.

The undersigned hereby certifies as follows:

- (1) none of the items for which funds are being requisitioned has formed the basis for any disbursement heretofore made from the Construction Fund created by the Trust Agreement;
- (2) each item for which funds are being requisitioned is a proper and necessary item to be paid from the Construction Fund; and
- (3) all of such funds are being used for the payment of Costs of the Facilities.

This Requisition has been executed by a duly authorized officer of the Authority.

MARYLAND TRANSPORTATION AUTHORITY

By: \_\_\_\_\_  
Authorized Officer