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**SECOND AMENDED AND RESTATED  
TRUST AGREEMENT**

by and between

**MARYLAND TRANSPORTATION AUTHORITY**

and

**THE BANK OF NEW YORK,  
as Trustee**

Dated as of September 1, 2007

AMENDING AND RESTATING THAT CERTAIN AMENDED AND RESTATED TRUST  
AGREEMENT DATED AS OF JUNE 1, 2004

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## **SECOND AMENDED AND RESTATED TRUST AGREEMENT**

**THIS SECOND AMENDED AND RESTATED TRUST AGREEMENT**, dated as of September 1, 2007 (the “**Trust Agreement**”), is by and between **MARYLAND TRANSPORTATION AUTHORITY**, an agency of the State of Maryland, acting on behalf of the Department of Transportation of Maryland (the “**Authority**”), and **THE BANK OF NEW YORK**, a national banking association organized and existing under the laws of the State of New York and having a corporate trust office in West Paterson, New Jersey, as trustee (the “**Trustee**”).

### **RECITALS**

**WHEREAS**, the Authority is authorized pursuant to Title 4 of the Transportation Article of the Annotated Code of Maryland, as amended (the “**Enabling Legislation**”), to issue revenue bonds for the purpose of financing and refinancing all or any part of the costs of Transportation Facilities Projects (as defined in the Enabling Legislation) 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; and

**WHEREAS**, pursuant to the Enabling Legislation and to the Amended and Restated Trust Agreement dated as of June 1, 2004 (the “**Prior Trust Agreement**”), by and between the Authority and the Trustee, the Authority previously issued certain revenue bonds of which its Transportation Facilities Projects Revenue Bonds (Series 1992) dated as of August 15, 1992 (the “**Series 1992 Bonds**”) and its Transportation Facilities Projects Revenue Bonds, Series 2004, dated as of July 1, 2004 (the “**Series 2004 Bonds**”) remain outstanding; and

**WHEREAS**, pursuant to the provisions of Section 209 of the Prior Trust Agreement, the Authority may from time to time issue additional revenue bonds secured equally and ratably with the Series 1992 Bonds, Series 2004 Bonds and any additional Bonds outstanding under the provisions of the Prior Trust Agreement by the property pledged thereunder for the purpose of paying all or any part of the cost of any additional Transportation Facilities Projects or any Improvements; and

**WHEREAS**, Section 1102(a) of the Prior Trust Agreement provides that the owners of not less than a majority of the outstanding Bonds and Parity Indebtedness shall have the right, from time to time, anything contained in this Trust Agreement to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee of such agreement or agreements supplemental hereto as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Trust Agreement or in any Supplemental Agreement (as defined herein); *provided*, however, that nothing herein contained shall permit, or be construed as permitting, (i) an extension of the due date for the payment of the principal of or the interest on any Bond, or reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon

without the consent of the holder of such Bond, or (ii) a preference or priority of any Bond or Parity Indebtedness over any other Bond or Parity Indebtedness, or a reduction in the aggregate principal amount of outstanding Bonds and Parity Indebtedness the consent of the holders of which is required for any Supplemental Agreement. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders or owners of Parity Indebtedness of the execution of any Supplemental Agreement authorized by Section 1101 of the Prior Trust Agreement; and

**WHEREAS**, pursuant to Section 1102(c) of the Prior Trust Agreement, if the owners of not less than a majority of the Bonds and Parity Indebtedness outstanding at the time of the execution of any Supplemental Agreement shall have consented to the execution thereof as herein provided, no owner of any Bond or Parity Indebtedness shall have any right to object to the execution of such Supplemental Agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof; and upon the execution of any Supplemental Agreement pursuant to such provisions, the Prior Trust Agreement shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Prior Trust Agreement of the Authority, the Trustee and all owners of Bonds and Parity Indebtedness then outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of the Prior Trust Agreement as so modified and amended; and

**WHEREAS**, the Authority and the Trustee are entering into this Trust Agreement with consent of not less than a majority of the Bonds for the purposes of (1) issuing the Authority's revenue bonds in the aggregate principal amount of \$300,000,000 designated the "Transportation Facilities Projects Revenue Bonds, Series 2007," dated as of September 20, 2007 (the "**Series 2007 Bonds**") to provide funds, with other available funds, to pay all or a portion of the costs of certain additional Transportation Facilities Projects (the "**2007 Projects**"), to fund the 2007 Reserve Subaccount and to pay certain costs of issuance, and (2) amending, supplementing and restating in its entirety the Prior Trust Agreement; and

**WHEREAS**, by resolutions adopted by the Authority on April 25, 2007, July 25, 2007, August 29, 2007 and September 12, 2007, the Authority has authorized the issuance of the Series 2007 Bonds; and

**WHEREAS**, the Series 2007 Bonds shall be limited obligations of the Authority payable solely from the Revenues, to which neither the State, nor the Department of Transportation (the "**Department**"), nor any political subdivision of the State, nor the Authority shall be obligated to pay the principal or the interest thereon except from the Revenues (defined herein) and from other sources as provided herein; and neither the faith and credit nor the taxing power of the State, the Department, any political subdivision of the State or the Authority is pledged to the payment of the Series 2007 Bonds or the interest thereon; and the issuance of the Bonds shall not directly or indirectly or contingently obligate the State, the Department, the Authority 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 Department have no taxing powers; and

**WHEREAS**, All Bonds issued from time to time under this Trust Agreement will be equally and ratably secured to the extent provided herein by a pledge and assignment of the Trust Estate (defined herein); and

**WHEREAS**, all things necessary to make the Series 2007 Bonds, when authenticated by the Registrar and issued in accordance with this Trust Agreement, the legal, valid and binding obligations of the Authority according to the import thereof, and to constitute this Trust Agreement a valid assignment and pledge of the Revenues, have been done and performed, and the creation, execution and delivery of this Trust Agreement, and the creation, execution and issuance of the Series 2007 Bonds, subject to the terms hereof, have in all respects been duly authorized.

### **GRANTING CLAUSES**

The Authority, in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the owners thereof, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, in order to secure the payment of the principal or Redemption Price (defined herein) of and interest on, and the purchase price of, the Bonds according to their tenor and effect and the performance and observance by the Authority of all the covenants expressed or implied herein and in the Bonds, for the equal and ratable benefit of the holders thereof and their respective successors and assigns, forever, subject only to the provisions of this Trust Agreement permitting the application thereof on the terms and conditions set forth in this Trust Agreement, does hereby grant, bargain, sell, convey, assign and pledge to the Trustee, and unto its respective successors in trust and assigns forever, and grant to the Trustee, and unto its respective successors in trust and assigns forever, a security interest in, the following (the "**Trust Estate**"):

- (a) all of the right, title and interest of the Authority in and to the Revenues; and
- (b) 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 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, without privilege, priority or distinction as to the lien

or otherwise of any Bond over any other Bond, 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, according to the true intent and meaning thereof or shall provide for the payment thereof as provided by Article XII, and shall perform and observe all the covenants and conditions of this Trust Agreement 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 XII, 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.

**NOW, THEREFORE, WITNESSETH** that 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 as follows (subject to the provisions of Section 6.01):

## **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:

(1)     **“Additional Bonds”** means any bond, note or other evidence of obligation issued by the Authority pursuant to Section 2.04, including (without limitation) any cap, swap or other hedging arrangement.

(2)     **“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.

(3)     **“Amortization Requirement,”** as applied to each maturity of Term Bonds and for any Bond Year, shall mean the Sinking Fund Installments fixed or computed as hereinafter set forth for the retirement of such Term Bonds by purchase or redemption on the Principal Payment Date of the following Bond Year, as provided in Section 3.02 of the Trust Agreement and any Supplemental Agreement contemplated by Section 3.08.

(4) “**Annual Budget**” shall mean the Authority’s budget of Current Expenses and of monthly deposits to the credit of the Maintenance and Operations Reserve Account for a fiscal year adopted pursuant to the provisions of Section 6.17.

(5) “**Authority**” shall mean the Maryland Transportation Authority, an agency of the State of Maryland, acting on behalf of the Department of Transportation of Maryland, and its successors.

(6) “**Authority Representative**” shall mean the Chairman, the Executive Secretary or the Deputy Executive Secretary, Chief Financial Officer of the Authority or such officer’s designee as provided in writing 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.

(7) “**Authorized Denomination**” means (a) in the case of the Series 1992 Bonds, the Series 2004 Bonds and the Series 2007 Bonds, \$5,000 and any integral multiple thereof and (b) in the case of any Additional Bonds, the denominations authorized by the Supplemental Agreement pursuant to which such Additional Bonds are issued.

(8) “**Balloon Indebtedness**” shall mean Indebtedness 25% or more of the principal of which matures in a single Bond Year on the same date, which portion of the principal is not required by the documents governing such Indebtedness to be amortized by payment or redemption prior to such date. If any Indebtedness consists partially of Variable Rate Indebtedness and partially of Indebtedness bearing interest at a fixed rate, the portion constituting Variable Rate Indebtedness and the portion bearing interest at a fixed rate shall be treated as separate issues for purposes of determining whether any such Indebtedness constitutes Balloon Indebtedness.

(9) “**Baltimore Harbor Tunnel**” shall mean the tunnel under the Patapsco River in the City of Baltimore from a point at or near the mouth of Northwest Branch to a point approximately opposite at or near Fairfield and approaches thereto.

(10) “**Bond Counsel**” shall mean a law firm, appointed by the Attorney General of Maryland and concurred in by the Authority, having a national reputation in the field of municipal law, whose legal opinions are generally accepted by purchasers of municipal bonds.

(11) “**Bond Registrar**” shall mean the Trustee in its capacity as Bond Registrar and any other entity designated as such in a Supplemental Agreement.

(12) “**Bonds**” shall mean the Bonds issued under this Trust Agreement but not any Junior Obligations or obligations payable from the General Account.

(13) “**Bond Service Subaccount**” shall mean the subaccount of that name established pursuant to the provisions of Section 4.06.

(14) “**Bond Year**” shall mean the period commencing on the first day of July of any calendar year and ending on the 30th day of June of the following calendar year or such other annual period commencing and ending on the dates specified in a Supplemental Agreement.

(15) “**Business Day**” shall mean any day other than a Saturday or Sunday on which commercial banks (including the Trustee, the Bond Registrar and any Paying Agent) are open for business in the State of Maryland and in New York, New York and on which the New York Stock Exchange is open.

(16) “**Capital Account**” shall mean the Maryland Transportation Authority Transportation Facilities Projects Fund Capital Account, a special account created and designated by the provisions of Section 4.04.

(17) “**Capital Appreciation Bonds**” shall mean the Series 1992 Bonds maturing in the years 2004 and 2007 through 2015, inclusive, and which are represented by bond certificates initially bearing numbers R-13 through R-22, inclusive and any other Bonds the interest on which is compounded and accumulated at the rates and on the dates set forth in the Supplemental Agreement authorizing the issuance of such Bonds and is payable upon redemption or on the maturity date of such Bonds.

(18) “**Chesapeake Bay Bridge**” shall mean the parallel bridges across the Chesapeake Bay from a point in Anne Arundel County, Maryland at or near Sandy Point to a point approximately opposite on Kent Island and approaches thereto and now named the “William Preston Lane, Jr. Memorial Bridge.”

(19) “**Closing**” shall mean the date on which Bonds of any Series are initially delivered against payment therefor.

(20) “**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.

(21) “**Cost**,” as applied to any additional Transportation Facilities Project financed under the provisions of this Trust Agreement or any Improvements, shall include, without intending thereby to limit or restrict any proper definition of such word under the provisions of the Enabling Legislation, the cost of construction or acquisition and all obligations and expenses and all items of cost that are set forth in Section 4.03.

(22) “**Credit Bank**” shall mean as to any particular Series of Bonds, the person (other than an Insurer) providing a letter of credit, a line of credit, a guaranty or another credit or liquidity enhancement facility, as designated in the Supplemental Agreement providing for the issuance of such Bonds.

(23) “**Credit Facility**” shall mean as to any particular Series of Bonds, a letter of credit, a line of credit, a guaranty or another credit or liquidity enhancement facility (other

than an insurance policy issued by an Insurer), as described in the Supplemental Agreement providing for the issuance of such Bonds.

(24) **“Credit Facility Default”** shall mean the wrongful failure by a Credit Bank to honor a drawing under the applicable Credit Facility in accordance with the terms thereof, and any additional meaning specified by the Authority and such Credit Bank in writing upon the delivery of such Credit Facility to the Trustee.

(25) **“Current Expenses”** shall mean the Authority’s reasonable and necessary current expenses of maintenance, repair and operation of the Transportation Facilities Projects (but not General Account Projects or Transportation Facilities Projects that have been disposed of under Section 6.12) and shall include, without limiting the generality of the foregoing, all ordinary and usual expenses of maintenance, repair and operation, which may include expenses not annually recurring, premiums and reserves for insurance, fees or premiums for a Credit Facility or bond insurance policy or guaranty (but not including any amounts payable as interest, whether or not characterized as a fee or premium, on draws, advances or loans), all administrative and engineering expenses relating to maintenance, repair and operation, fees and expenses of the Trustee, the Bond Registrar, the Paying Agents, indexing agents and remarketing agents, legal expenses, advertising expenses, any taxes or assessments lawfully levied on the Transportation Facilities Projects, any payments to pension or retirement funds, fees and expenses of the trustees and the paying agents and any depositaries under this Trust Agreement, any other expenses required or permitted to be paid by the Authority under the provisions of this Trust Agreement or by law and any expenses incurred by the Department for any of the foregoing purposes, but shall not include any reserves for extraordinary maintenance or repair or any allowance for depreciation or any deposits or transfers to the credit of the Debt Retirement Account, the Maintenance and Operations Reserve Account and the General Account.

(26) **“Current Interest Bonds”** shall mean the Series 1992 Bonds maturing in the years 1996 through 2003, inclusive, 2005, 2006, 2013 and 2015, and which are represented by bond certificates initially bearing numbers R-1 through R-12, inclusive and any other Bonds the interest on which is payable on the Interest Payment Dates provided therefor in this Trust Agreement or the Supplemental Agreement authorizing the issuance of such Bonds.

(27) **“Debt Retirement Account”** shall mean the Maryland Transportation Authority Transportation Facilities Projects Revenue Bonds Interest and Debt Retirement Account, a special account created and designated by the provisions of Section 4.06.

(28) **“Debt Service Payments”** shall mean those payments required to be made by or on behalf of the Authority which will be applied to payment of principal of and interest on the Bonds.

(29) **“Debt Service Requirement”** shall mean, for any Bond Year, the aggregate of (a) Principal and Interest Requirements on Bonds of all Series then outstanding for such Bond Year and (b) the payments required to be made in respect of Parity Indebtedness for

such Bond Year, employing the methods of calculation set forth in clauses (i), (ii), (iii) and (iv) of Section 2.04(c) in the case of Balloon Indebtedness, Variable Rate Indebtedness, Optional Tender Indebtedness, and Qualified Swaps, respectively; *provided*, however, that interest expense shall be excluded from the determinations of Debt Service Requirements to the extent such interest is to be paid from the proceeds of such Indebtedness or from investment earnings thereon if such proceeds shall have been invested in Investment Obligations and to the extent such earnings may be determined precisely; and *provided* further that interest expense on Credit Facilities drawn upon to purchase but not to retire Bonds, to the extent such interest exceeds the interest payable on the related Bonds, shall be included in the determination of Debt Service Requirements; and *provided* further that net payments due under a Qualified Swap (exclusive of any amounts payable under any Qualified Swap upon any termination thereof or other fees, expenses, indemnification or other similar payments to the counterparty to such Qualified Swap) shall be included in the determination of the Debt Service Requirement for any Bond Year to the extent required by Section 2.04(c).

(30) **“Defaulted Interest”** shall mean Defaulted Interest as defined in Section 2.02(d)(7).

(31) **“Department”** shall mean the Department of Transportation of Maryland, an agency of the State of Maryland, and its successors and assigns.

(32) **“Depository”** shall mean the Trustee and shall also mean one or more other banks or trust companies duly authorized to engage in the banking business and designated by the Authority as a depository of moneys under the provisions of this Trust Agreement.

(33) **“Deposit Day”** shall mean the twentieth (20th) day of each month or any other day that may be designated in a Supplemental Agreement on which a withdrawal from the Operating Account is required to accomplish the payments and transfers required by Section 4.06(b).

(34) **“Designated Office”** when used with respect to the Trustee shall mean the office of the Trustee set forth in or pursuant to Section 13.03.

(35) **“Enabling Legislation”** shall mean Title 4 of the Transportation Article of the Annotated Code of Maryland, as amended, and all future acts supplemental thereto or amendatory thereof.

(36) **“Estimated Average Interest Rate”** shall be calculated, with respect to a Qualified Swap entered into by the Authority that is generally referred to as either a “fixed-to-floating” Qualified Swap (where the Authority pays a variable rate and receives a fixed rate) or a “floating-to-floating” Qualified Swap (where the Authority pays a variable rate and receives a different variable rate), by taking 120% of: (a) the greater of (i) the current variable rate of interest payable by the Authority on such Qualified Swap or (ii) the average variable rate of interest payable by the Authority on such Qualified Swap over the preceding 12 months if such Qualified Swap had been in effect over such period; and (b) the rate of

interest payable by the Authority with respect to the related Indebtedness, less the rate of interest payable by the Qualified Swap Provider to the Authority, with such rates calculated at either the respective fixed rates as specified by the related Supplemental Agreement or Qualified Swap Agreement, or, if either such rate shall be a variable rate, as determined in accordance with subparagraph (a) above.

(37) **“Event of Default”** shall have the meaning ascribed to such term in Section 10.01.

(38) **“Federal Securities”** shall mean obligations described in paragraph (a) of the definition of Investment Obligations.

(39) **“Fiscal Year”** shall mean the period commencing on the first day of July of any year and ending on the last day of June of the following year unless the Authority notifies the Trustee in writing of a change in such period, in which case the fiscal year shall be the 12-month period set forth in such notice.

(40) **“Fitch”** shall mean Fitch Ratings, its successors and assigns and, in the event such corporation ceases to rate municipal bonds, any other nationally recognized rating service designated by the Authority.

(41) **“Fort McHenry Tunnel”** shall mean the eight-lane tunnel under the Northwest Branch of the Patapsco River from a point near Fort McHenry on Locust Point to a point approximately opposite near Canton, Maryland, and approaches thereto in the City of Baltimore and acquired by the Authority from the Mayor and City Council of Baltimore.

(42) **“Francis Scott Key Bridge”** shall mean the bridge across the Patapsco River from a point at or near Hawkins Point in the City of Baltimore to a point at or near Sparrows Point in Baltimore County, Maryland and approaches thereto and formerly known as the “Baltimore Outer Bridge.”

(43) **“General Account”** shall mean the Maryland Transportation Authority Transportation Facilities Projects General Account, a special account created and designated by the provisions of Section 4.06.

(44) **“General Account Project”** shall mean the Susquehanna River Bridge, the Seagirt Marine Terminal, the Masonville Auto Terminal, the Intercounty Connector Project and any additional Project designated by resolution of the Authority to be a General Account Project. Any one or more General Account Projects may, in accordance with Section 6.04, be subsequently designated by resolution of the Authority to be Transportation Facilities Projects.

(45) **“Government Obligations”** shall mean (a) direct obligations of, or obligations the timely payment of the principal of and the interest on which are unconditionally guaranteed by, the United States of America, or evidences of indirect ownership of such obligations, and (b) obligations of state or local government bond issuers,

provision for the payment of the principal of and interest on which shall have been made by deposit with an escrow agent or trustee of obligations described in clause (a) the principal of and interest on which when due will be sufficient to pay the principal of and interest on such state or local government obligations when due.

(46) **“Improvements”** shall mean any additions, betterments, improvements and enlargements to any Project constituting one or more of the Transportation Facilities Projects or any major rehabilitation or reconstruction thereof.

(47) **“Indebtedness”** shall mean (a) Bonds, (b) all other indebtedness of the Authority for borrowed money, (c) all installment sales and capital lease obligations incurred or assumed by the Authority and (d) any other obligation of the Authority, including any lease, agreement and Qualified Swap or other hedging arrangement, *provided* that any amounts payable upon any termination of any Qualified Swap or other fees, expenses, indemnification or other obligations to a counterparty to a Qualified Swap shall not constitute Indebtedness. Except to the extent such obligations exceed the Debt Service Requirements on the Bonds or any Parity Indebtedness held by or pledged to or for the account of a Credit Bank that shall have paid the Purchase Price of Optional Tender Indebtedness, obligations to reimburse Credit Banks for amounts drawn under Credit Facilities to pay the Purchase Price of Optional Tender Indebtedness shall not constitute Indebtedness.

(48) **“Insurance Policy”** shall mean the 1992 Bond Insurance Policy, the 2004 Bond Insurance Policy, the 2007 Bond Insurance Policy and any other municipal bond insurance policy issued by an Insurer that guarantees payment of principal of and interest on any Additional Bonds.

(49) **“Insurer”** shall mean the 1992 Bond Insurer, the 2004 Bond Insurer, the 2007 Bond Insurer and, as to any particular maturity of any other Series of Bond or any other particular Series of Bonds, the person undertaking to insure such Bonds as designated in a Supplemental Agreement providing for the issuance of such Bonds.

(50) **“Intercounty Connector Project”** shall mean the multi-modal east-west highway to link existing and planned development areas between the Interstate Route 270 and the Interstate Route 95/US Route 1 corridors in Montgomery and Prince George’s Counties of Maryland, and related transportation improvements and environmental and community mitigation and enhancements, and as of the date of this Trust Agreement, designated as a General Account Project.

(51) **“Interest Payment Date”** shall mean a January 1 or July 1, as the case may be; *provided*, however, that Interest Payment Date may mean, if so provided in a Supplemental Agreement, such other date or dates provided therein or permitted thereby.

(52) **“Interest Period”** shall mean each period from and including an Interest Payment Date to and including the day immediately preceding the next Interest Payment Date.

(53) “**Interest Requirement**” for any Bond Year, as applied to Bonds of any Series, shall mean the amount that is required to pay interest on all outstanding Bonds of such Series on the January 1 Interest Payment Date in such Bond Year and on the July 1 Interest Payment Date of the next succeeding Bond Year. If the Interest Payment Dates for any Bonds are other than or are in addition to January 1 and July 1, or if interest is not payable at a single numerical rate for the entire term of such Bonds, then “Interest Requirement” shall have the appropriate meaning assigned thereto by the Supplemental Agreement providing for the issuance of such Bonds.

(54) “**Investment Obligations**” shall mean, to the extent permitted by law:

(a) (i) Government Obligations and (ii) bonds, debentures, notes or other obligations issued or guaranteed by any of the following: Federal National Mortgage Association, Federal Intermediate Credit Banks, Federal Home Loan Banks, Federal Land Banks, Federal Bank for Cooperatives, Export-Import Bank of the United States, the Federal Financing Bank, the Federal Farm Credit Bank, the Federal Home Loan Mortgage Association, the Federal Housing Administration, United States Department of Agriculture Rural Development, the Government National Mortgage Association, or by any agency controlled by or supervised by and acting as an instrumentality of the United States Government (herein sometimes called “Federal Securities”);

(b) repurchase agreements with respect to Federal Securities with (i) financial institutions insured by the Federal Deposit Insurance Corporation or (ii) with broker-dealers who are members of the Securities Investors Protection Corporation; *provided* that (A) in any such case, the Trustee, the Authority or a Depositary (or a third party acting solely as agent for the Trustee, the Authority or such Depositary) must have possession of the collateral security and such collateral security must continuously have a market value equal to the amount so invested and must be free of all third party claims and (B) any investment in a repurchase agreement shall be deemed to mature on the date the financial institution or broker-dealer has agreed to repurchase the Federal Security;

(c) certificates of deposit issued by, and time deposits in, any bank or savings and loan association organized under the laws of the State, any other state of the United States or of the United States, including the Trustee; *provided* that such bank or savings and loan association has combined capital, surplus and undivided profits of at least \$100,000,000; and *provided* further, that such certificates of deposit or time deposits are (i) insured by the Federal Deposit Insurance Corporation for the full face amount thereof or (ii) to the extent not so insured, collateralized by Government Obligations held by the Trustee or a third party acting solely as agent for the Trustee and having a market value of not less than the face amount of such certificates and deposits;

(d) bankers acceptances drawn on and accepted by commercial banks (which may include the Trustee, the Bond Registrar, any Depositary and any Paying Agent) having a combined capital, surplus and undivided profits of at least \$100,000,000;

(e) commercial paper rated in the highest Rating Category by at least two Rating Agencies;

(f) obligations of state or local government municipal bond issuers, the principal of and interest on which, when due and payable, have been insured by a bond insurance company that is rated in the highest Rating Category by at least two Rating Agencies;

(g) full faith and credit and credit obligations of state or local government municipal bond issuers that are rated in the highest Rating Category by at least two Rating Agencies; and

(h) any other obligations that constitute legal investments, at the time being, for State agencies such as the Authority.

(55) "**Junior Obligations**" shall mean the obligations of the Authority for the payment of the principal of and the interest on which moneys in the Junior Obligations Account are pledged pursuant to the provisions of Section 4.10.

(56) "**Junior Obligations Account**" shall mean the Maryland Transportation Authority Transportation Facilities Projects Fund Junior Obligations Account, a special account created and designated by the provisions of Section 4.06.

(57) "**Maintenance and Operations Reserve Account**" shall mean the Maryland Transportation Authority Transportation Facilities Projects Fund Maintenance and Operations Reserve Account, a special account created and designated by the provisions of Section 4.06.

(58) "**Masonville Auto Terminal**" shall mean the 42.5-acre administrative/automobile processing port facility, including buildings and rail access, located in Fairfield in Baltimore City, Maryland, and as of the date of this Trust Agreement, designated as a General Account Project.

(59) "**Moody's**" shall mean Moody's Investors Service, Inc., its successors and assigns and, in the event such corporation ceases to rate municipal bonds, any other nationally recognized rating service designated by the Authority.

(60) "**Net Revenues**" for any particular period shall mean the amount of the excess of the revenues of the Transportation Facilities Projects deposited to the credit of the Operating Account pursuant to the provisions of Sections 4.05, 6.06 and 6.12, over the Current Expenses during such period, but shall not include any moneys deposited or transferred to the credit of the Operating Account pursuant to the provisions of Sections 4.08, 4.09, 4.10 and 4.11 and shall not include moneys derived from the ownership or operation of any General Account Project and deposited to the Operating Account pursuant to Section 4.05.

(61) "**Northeastern Expressway**" shall mean the toll express highway, 42.4 miles in length, extending from Whitemarsh Boulevard in Baltimore County, Maryland, northeasterly between U.S. Routes 40 and 1 to a point on the boundary line between the State of Maryland and the State of Delaware connecting with the Delaware Turnpike and now named the "John F. Kennedy Memorial Highway."

(62) "**NRMSIRs**" shall mean the nationally recognized municipal securities information repositories designated from time to time by the Securities and Exchange Commission.

(63) "**Operating Account**" shall mean the Maryland Transportation Authority Transportation Facilities Projects Fund Operating Account, a special Account created and designated by the provisions of Section 4.05.

(64) "**Optional Tender Indebtedness**" shall mean any portion of Indebtedness incurred under this Trust Agreement required to be purchase or redeemed at the option of its owner if the purchase or redemption price thereof is payable from the Revenues.

(65) "**Outstanding**" or "**outstanding**," when used with respect to Bonds shall mean all Bonds that have been authenticated and delivered by the Trustee or by the Bond Registrar under this Trust Agreement, except:

(a) Bonds paid or redeemed or delivered to or acquired by the Trustee or the Bond Registrar for cancellation;

(b) Bonds for which the Trustee or the Bond Registrar or any Depositary or Paying Agent shall hold sufficient moneys or Government Obligations the principal of and the interest on which, when due and payable, will provide sufficient moneys to pay the principal of, and the interest and redemption premium, if any, on such Bonds to their maturity date or dates or dates fixed with respect to Amortization Requirements or to the date fixed for their optional redemption, as demonstrated by a written report prepared by a firm of independent certified public accountants; *provided*, however, that the Authority may provide in a Supplemental Agreement entered into prior to the issuance of any Variable Rate Indebtedness for a method of calculating the rate of interest to be taken into account in determining the sufficiency of such moneys or Government Obligations; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Trust Agreement; *provided*, however, that in determining whether the owners of the requisite principal amount of outstanding Bonds have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by the Authority or any other obligor upon the Bonds shall be disregarded and deemed not to be outstanding, except that (i) the term "obligor upon the Bonds" shall not include any Insurer or any Credit Bank unless otherwise provided in a Supplemental Agreement and (ii) in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds that the Trustee or Bond Registrar knows to be so owned shall be so disregarded. Bonds so

owned that have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and the pledgee is not the Authority or any other obligor upon the Bonds except a Credit Bank or an Insurer.

(66) "**Parity Indebtedness**" shall mean any obligations incurred in accordance with Section 6.13 and secured equally and ratably with the Bonds by the Revenues, to the extent provided herein, including (without limitation) Parity Swap Obligations, *provided*, however, that amounts payable under any such Parity Swap Obligation or other contract, agreement or other obligation upon any termination thereof or other fees, expenses, indemnification or other similar payments to the counterparty to such obligation shall not constitute Parity Indebtedness.

(67) "**Parity Swap Obligation**" shall have the meaning provided in Section 6.13(b).

(68) "**Participant**," when used with respect to any Securities Depository, means any participant of such Securities Depository.

(69) "**Paying Agents**" shall mean the Trustee in its capacity as paying agent for the Bonds and any other entity designated as such in a Supplemental Agreement.

(70) "**Person**" or "**person**" shall mean and include an association, an unincorporated organization, a corporation, a partnership, a joint venture, a business trust, a government or an agency or a political subdivision thereof, or any other public or private entity, or a natural person.

(71) "**Potomac River Bridge**" shall mean the bridge across the Potomac River from a point in Charles County, Maryland at or near Ludlow's Ferry to a point approximately opposite in the State of Virginia near Dahlgren and Colonial Beach and approaches thereto and now named the "Harry W. Nice Memorial Bridge."

(72) "**Principal and Interest Requirements**" for any Bond Year shall mean the sum of the Principal Requirement and the Interest Requirement for such Bond Year.

(73) "**Principal Payment Date**" shall mean a July 1 upon which the principal of any Bond is stated to mature or upon which the principal of any Term Bond is subject to redemption in satisfaction of an Amortization Requirement, *provided*, however, Principal Payment Date may mean, if so provided by a Supplemental Agreement, such other date or dates as may be provided thereby or permitted therein.

(74) "**Principal Requirement**" for any Bond Year, as applied to the Bonds of any Series, shall mean the sum of:

(a) the amount required to pay the principal of all outstanding Bonds of such Series scheduled to mature on July 1 in the following Bond Year, and

(b) the Amortization Requirement for the outstanding Term Bonds of such Series for July 1 of the following Bond Year.

If the Principal Payment Date for any Bonds is other than or in addition to a July 1, then "Principal Requirement" shall have the appropriate meaning assigned thereto by the applicable Supplemental Agreement.

(75) "**Prior Trust Agreement**" shall mean the Amended and Restated Trust Agreement dated as of June 1, 2004, by and between the Authority and The Bank of New York, as trustee.

(76) "**Project**" shall mean any transportation facilities project that the Authority is authorized to construct or acquire under the provisions of the Enabling Legislation, as amended, and that the Authority determines by resolution filed with the Trustee to include in the Transportation Facilities Projects or General Account Projects, subject, in either case, to the provisions of Section 6.04.

(77) "**Purchase Price**" shall mean the purchase price established in any Supplemental Agreement for Optional Tender Indebtedness as the purchase price to be paid for such Indebtedness upon an optional or mandatory tender of all or a portion of such Indebtedness.

(78) "**Qualified Swap**" shall mean, to the extent from time to time permitted by law, with respect to Indebtedness, any financial arrangement (i) which is entered into by the Authority with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar; forward rate; future rate; swap (such swap may be based on an amount equal either to the principal amount of such Indebtedness as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Indebtedness); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); any combination thereof; or any option with respect thereto; in each case executed by the Authority for the purpose of moderating interest rate fluctuations, reducing debt service costs or creating either fixed interest rate Indebtedness or Variable Rate Indebtedness on a synthetic basis or otherwise, and (iii) which has been designated in writing to the Trustee by an Authority Representative as a Qualified Swap with respect to such Indebtedness.

(79) "**Qualified Swap Provider**" shall mean an entity whose senior long-term obligations, other senior unsecured long-term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long-term debt obligations, other senior unsecured long-term obligations, financial program rating, counterparty rating, or claims paying ability, are (i) initially rated at least as high as the second highest Rating Category of each Rating Agency then maintaining a rating for the Qualified Swap Provider or (ii) any such lower Rating Categories which each such Rating Agency indicates in writing to the Authority and the Trustee will not, by itself, result in a

reduction or withdrawal of its rating on the Outstanding Indebtedness subject to the arrangement to be entered into with such Qualified Swap Provider that is in effect prior to entering in such arrangement.

(80) **“Rating Agency”** shall mean 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 Parity Indebtedness, and their successors and assigns, and **“Rating Agencies”** means each such Rating Agency, collectively.

(81) **“Rating Category”** shall mean one of the general rating categories of a Rating Agency, without regard to any gradation or other refinement by numerical modifier or otherwise.

(82) **“Redemption Price”** shall mean, with respect to any Bond or a portion thereof, the principal amount of such Bond or portion thereof plus the applicable premium, if any, payable upon redemption thereof in accordance with its terms.

(83) **“Reference Date”** shall mean the date any Transportation Facilities Project or Improvement is placed in service or an estimate of the date any such Transportation Facilities Project or Improvement will be placed in service.

(84) **“Regular Record Date”** shall mean, for each Series of Bonds, the 15<sup>th</sup> day of the month immediately preceding any Interest Payment Date or such other date established for the Bonds of such Series in a Supplemental Agreement.

(85) **“Reserve Subaccount”** shall mean the 1992 Reserve Subaccount, the 2004 Reserve Subaccount, the 2007 Reserve Subaccount and any other special subaccount created in the Debt Retirement Account with respect to any Series of Additional Bonds or Parity Indebtedness by the provisions of Section 4.06 and the Supplemental Agreement authorizing the issuance of such Additional Bonds or Parity Indebtedness.

(86) **“Reserve Subaccount Insurance Policy”** shall mean an insurance policy, surety bond, irrevocable letter of credit or guaranty deposited in the Reserve Subaccount in lieu of or in partial substitution for cash on deposit or to be deposited therein. Such Reserve Subaccount Insurance Policy shall be payable (upon the giving of notice as required thereunder) on any Interest or Principal Payment Date (for the Series of Bonds in respect of which it was deposited) on which a deficiency exists in the Bond Service Subaccount. The issuer providing any Reserve Subaccount Insurance Policy shall be (a) an insurer that has been assigned either (i) one of the two highest ratings accorded insurers by A.M. Best & Co. or any comparable service or (ii) in the case of Bonds insured by the issuer of such Reserve Subaccount Insurance Policy, a rating by either Moody’s or S&P in one of the two highest Rating Categories or (b) a commercial bank, insurance company or other financial institution the bonds payable or guaranteed by which have been assigned a rating by either Moody’s or S&P in one of the two highest Rating Categories.

(87) **“Reserve Subaccount Requirement”** shall mean (a) when used with respect to the Series 1992 Bonds or the 1992 Reserve Subaccount, as of any date of calculation, an amount of money and securities (including any Reserve Subaccount Insurance Policy) equal to the least of (i) the maximum Principal and Interest Requirements of all outstanding Series 1992 Bonds for any Bond Year, (ii) one hundred twenty-five percent (125%) of the average annual Principal and Interest Requirements of the Series 1992 Bonds, and (iii) 10% of the proceeds of the Series 1992 Bonds then outstanding; (b) when used with respect to the Series 2004 Bonds or the 2004 Reserve Subaccount, as of any date of calculation, an amount of money and securities (including any Reserve Subaccount Insurance Policy) equal to the least of (i) the maximum Principal and Interest Requirements of all outstanding Series 2004 Bonds for any Bond Year, (ii) one hundred twenty-five percent (125%) of the average annual Principal and Interest Requirements of the Series 2004 Bonds, and (iii) 10% of the proceeds of the Series 2004 Bonds then outstanding; (c) when used with respect to the Series 2007 Bonds or the 2007 Reserve Subaccount, as of any date of calculation, an amount of money and securities (including any Reserve Subaccount Insurance Policy) equal to the least of (i) the maximum Principal and Interest Requirements of all outstanding Series 2007 Bonds for any Bond Year, (ii) one hundred twenty-five percent (125%) of the average annual Principal and Interest Requirements of the Series 2007 Bonds, and (iii) 10% of the proceeds of the Series 2007 Bonds then outstanding; (d) when used with respect to any other Series of Additional Bonds or the Reserve Subaccount securing such Additional Bonds, unless otherwise provided in the Supplemental Agreement authorizing the issuance of such Additional Bonds, as of any date of calculation, an amount of money and securities (including any Reserve Subaccount Insurance Policy) equal to the least of (i) the maximum Principal and Interest Requirements of all outstanding Additional Bonds for any Bond Year, (ii) one hundred twenty-five percent (125%) of the average annual Principal and Interest Requirements of such Additional Bonds, and (iii) 10% of the proceeds of the Additional Bonds then outstanding; and (e) when used with respect to Parity Indebtedness such amount, if any, as shall be specified in the documents providing for such Parity Indebtedness. In computing the Reserve Subaccount Requirement in respect of any Bonds or Parity Indebtedness that constitute Variable Rate Indebtedness, the interest rate on such Bonds or Parity Indebtedness shall be assumed to be the greatest of (1) the interest rate on any Bonds or Parity Indebtedness that do not constitute Variable Rate Indebtedness delivered simultaneously with the Bonds or Parity Indebtedness that constitute Variable Rate Indebtedness, (2) one hundred twenty-five percent (125%) of the weighted average interest rate per annum borne by other outstanding indebtedness having comparable terms and issued by, or secured by agreements issued by, entities of comparable creditworthiness as the obligors with respect to such Variable Rate Indebtedness in a 12-month period ending within the month preceding the date of issuance of such Indebtedness, (3) the rate of interest on such Bonds or Parity Indebtedness on the date of issuance and (4) the interest rate determined in a Supplemental Agreement to be the interest rate such Bonds or Parity Indebtedness would have borne had such Bonds or Parity Indebtedness not constituted Variable Rate Indebtedness.

In the case of Bonds or Parity Indebtedness constituting Balloon Indebtedness, the Principal Requirement or principal payment shall be determined pursuant to Section 2.04(c)(i).

In the case of Bonds or Parity Indebtedness constituting Optional Tender Indebtedness, the option of the owners thereof to tender such Bonds or Indebtedness for redemption or purchase shall be disregarded.

(88) “**Revenues**” shall mean (a) all rentals, rates, fees, tolls and other charges and revenues derived from the ownership or operation of the Transportation Facilities Projects, and (b) until such time as the Authority determines by resolution or in a Supplemental Agreement to pledge the same for any other lawful purpose in accordance with Section 6.01(b), all rentals, rates, fees, tolls and charges and revenues derived from the ownership or operation of General Account Projects.

(89) “**S&P**” shall mean Standard & Poor’s Ratings Services and its successors and assigns and, in the event such corporation ceases to rate municipal bonds, any other nationally recognized rating service designated by the Authority.

(90) “**Seagirt Marine Terminal**” shall mean the containerized-cargo marine terminal constructed on approximately 114 acres of land and fill on the Patapsco River near Colgate Creek that became operational as a state-of-the-art containerized-cargo marine terminal in 1990, with an adjacent Intermodal Container Transfer Facility rail yard that became operational in 1989, and as of the date of this Trust Agreement, designated as a General Account Project.

(91) “**Secretary**” shall mean the Secretary, Executive Secretary or any Assistant Secretary or any Deputy Secretary or acting secretary of the Authority, but not the Secretary of the Maryland Department of Transportation.

(92) “**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.

(93) “**Serial Bonds**” shall mean the Bonds of a Series that shall be stated to mature in annual installments.

(94) “**Series**” shall mean (a) the Series 1992 Bonds, the Series 2004 Bonds and the Series 2007 Bonds and (b) the Bonds, if any, designated as such and issued at any one time under the provisions of Sections 2.04.

(95) “**Series 1992 Bonds**” means the Authority’s “Transportation Facilities Projects Revenue Bonds (Series 1992),” dated as of August 15, 1992.

(96) “**Series 2004 Bonds**” shall mean the Authority’s “Transportation Facilities Projects Revenue Bonds, Series 2004,” dated as of July 1, 2004.

(97) “**Series 2007 Bonds**” shall mean the Authority’s “Transportation Facilities Projects Revenue Bonds, Series 2007,” dated as of September 20, 2007

(98) “**Sinking Fund Installment**” means the amount of money provided in Section 3.02 this Trust Agreement, and in each Supplemental Agreement authorizing any Series of Bonds, to redeem Bonds of such Series at the times and in the amounts provided in this Trust Agreement or such Supplemental Agreement (as the case may be).

(99) “**Special Record Date**” for the payment of any Defaulted Interest on Bonds shall mean a date fixed by the Trustee pursuant to Section 2.02(d)(7).

(100) “**State**” means the State of Maryland.

(101) “**Supplemental Agreement**” shall mean (a) an agreement between the Authority and the Trustee, supplemental to this Trust Agreement and in conformity with the provisions of Article XI, or (b) a resolution adopted by the Authority in conformity with the provisions of this Trust Agreement providing for the issuance of a Series of Bonds or Parity Indebtedness and setting forth the provisions and details thereof not inconsistent herewith.

(102) “**Susquehanna River Bridge**” shall mean the bridge across the Susquehanna River from a point in Cecil County, Maryland at or near the Town of Perryville to a point approximately opposite in Harford County, Maryland at or near the City of Havre de Grace and approaches thereto, that, as of December 1, 1985, was re-designated as a General Account Project, and is now named the “Thomas J. Hatem Memorial Bridge.”

(103) “**Tax-Exempt Bond**” means any Series 1992 Bond, Series 2004 Bond, Series 2007 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.

(104) “**Term Bonds**” shall mean Bonds of a Series, other than Serial Bonds, payable from Sinking Fund Installments.

(105) “**Transportation Facilities Projects**” shall mean the Potomac River Bridge, the Chesapeake Bay Bridge, the Baltimore Harbor Tunnel, the Francis Scott Key Bridge, the Northeastern Expressway and (subject to the provisions of Section 6.15) the Fort McHenry Tunnel, the 2004 Projects, the 2007 Projects, any additional Project or Projects designated by the Authority to be Transportation Facilities Projects and any Project initially designated a General Account Project and reclassified a Transportation Facilities Project as provided in Section 6.04 and any additions, improvements and enlargements thereto.

(106) “**Transportation Facilities Projects Fund**” shall mean the Maryland Transportation Authority Transportation Facilities Projects Fund, a special enterprise fund heretofore created and designated by the Authority.

(107) "**Trust Agreement**" shall this Second Amended and Restated Trust Agreement dated as of September 1, 2007, by and between the Authority and the Trustee, as amended, modified or supplemented from time to time by Supplemental Agreements.

(108) "**Trustee**" shall mean the Trustee under this Trust Agreement, whether original or successor, and its successors and assigns.

(109) "**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.

(110) "**Variable Rate Indebtedness**" shall mean any Indebtedness the interest rate on which is not established at a single numerical rate for the entire remaining term of the Indebtedness.

(111) "**1992 Bond Insurer**" shall mean Financial Guaranty Insurance Company, a New York stock insurance company, and its successors and assigns.

(112) "**1992 Bond Insurance Policy**" shall mean the bond insurance policy issued by the 1992 Bond Insurer that guarantees payment of the accreted amounts of the insured Capital Appreciation Bonds.

(113) "**1992 Projects**" shall mean the acquisition, construction and/or improvement of the Susquehanna River Bridge, the Potomac River Bridge, the Chesapeake Bay Bridge, the Baltimore Harbor Tunnel, the Francis Scott Key Bridge, the Northeastern Highway and Fort McHenry Tunnel and certain other facilities related thereto financed and refinanced with the proceeds of the Series 1992 Bonds.

(114) "**1992 Reserve Subaccount**" shall mean the special subaccount created in the Debt Retirement Account with respect to the Series 2004 Bonds by the provisions of Section 4.06.

(115) "**2004 Bond Insurer**" shall mean Financial Security Assurance Inc., a New York stock insurance company, or any successor thereto or assignee thereof.

(116) "**2004 Bond Insurance Policy**" shall mean the bond insurance policy issued by the 2004 Bond Insurer that guarantees the scheduled payment of principal and interest on the Series 2004 Bonds when due.

(117) "**2004 Projects**" shall mean the acquisition, construction and improvement of facilities for the Baltimore Harbor Tunnel, Francis Scott Key Bridge, Fort McHenry Tunnel, John F. Kennedy Highway, Wm. Preston Lane, Jr. Memorial Bridge and certain other highway public buildings, bridges and transportation projects for the Authority's system financed and refinanced with the proceeds of the Series 2004 Bonds.

(118) “**2004 Reserve Policy**” shall mean the insurance policy issued by Financial Security Assurance Inc., to fund the 2004 Reserve Subaccount.

(119) “**2004 Reserve Policy Insurer**” shall mean “Financial Security Assurance Inc. or any successor thereto or assignee thereof.

(120) “**2004 Reserve Subaccount**” shall mean the special subaccount created in the Debt Retirement Account with respect to the Series 2004 Bonds by the provisions of Section 4.06.

(121) “**2007 Bond Insurer**” shall mean Financial Security Assurance Inc., a New York stock insurance company, or any successor thereto or assignee thereof.

(122) “**2007 Bond Insurance Policy**” shall mean the bond insurance policy issued by the 2007 Bond Insurer that guarantees the scheduled payment or principal and interest on the Series 2007 Bonds when due.

(123) “**2007 Projects**” shall mean the acquisition, construction and improvement of the facilities described in Appendix B and certain other highway public buildings, bridges and transportation projects for the Authority’s system financed and refinanced with proceeds of the Series 2007 Bonds.

(124) “**2007 Reserve Policy**” shall mean the insurance policy issued by the 2007 Reserve Policy Insurer, to fund the 2007 Reserve Subaccount.

(125) “**2007 Reserve Policy Insurer**” shall mean Financial Security Assurance Inc., or any successor thereto or assignee thereof.

(126) “**2007 Reserve Subaccount**” shall mean the special subaccount created in the Debt Retirement Account with respect to the Series 2007 Bonds by the provisions of Section 4.06.

## **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 or Parity Indebtedness shall mean the holders at the particular time of the specified percentage or proportion in aggregate principal amount of all Bonds or all Parity Indebtedness (as the case may be) then Outstanding under this Trust Agreement.

(f) The word "Holder," "holder," "Bondholder," "owner" or any similar term, when used with respect to any Bond or Parity Indebtedness, shall mean the registered owner of any Bond or Parity Indebtedness, respectively.

(g) Any reference to the Transportation Facilities Projects Fund, the Rebate Fund, the Capital Account, the Debt Retirement Account, the General Account, the Junior Obligations Account, the Maintenance and Operations Reserve Account and the Operating Account shall be to the funds and accounts so designated under Section 4.01. If any Supplemental 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.

(h) 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.

(i) 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.

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

(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.

### **Section 1.03. Insurer Deemed Holder of Insured Bonds.**

Notwithstanding any other provisions of this Trust Agreement to the contrary, each Insurer shall be deemed to be the sole holder of all outstanding Bonds of a Series insured by

an Insurance Policy issued by such Insurer for the purposes of making any request or giving or withholding any consent, vote or direction required or permitted to be made or given by the Holders of such Series of Bonds under this Trust Agreement, including, without limitation, any request, consent or direction with respect to remedial proceedings upon an Event of Default so long as no default under the Insurance Policy issued by such Insurer with respect to such Series of Bonds shall have occurred and be continuing.

The Trustee or the Authority, as the case may be, shall provide to each Insurer a copy of each and every notice that is required hereunder to be delivered to a Holder of any Bond or to the Trustee, including (without limitation) notice of the resignation or removal of the Trustee and the appointment of a successor thereto pursuant to Article VIII.

## **ARTICLE II** **AUTHORIZATION AND DETAILS OF THE BONDS;** **ADDITIONAL BONDS**

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

**(a) Prior Bonds.** There have heretofore been authorized by the Prior Trust Agreement the issuance of the following outstanding Series of Bonds: (i) the revenue bonds designated “Transportation Facilities Projects Revenue Bonds (Series 1992),” dated as of August 15, 1992 in the original aggregate principal amount of One Hundred Sixty-Two Million One Hundred Fifteen Thousand Two Hundred Ninety-Four and 55/100 Dollars - (\$162,115,294.55); and (ii) the revenue bonds designated “Transportation Facilities Projects Revenue Bonds, Series 2004,” dated as of July 1, 2004 in the original aggregate principal amount of One Hundred Sixty Million and No/100 Dollars (\$160,000,000). Upon the execution and delivery of this Trust Agreement, the outstanding prior Bonds consist of the Capital Appreciation Bonds of the Series 1992 Bonds maturing on July 1 in the years 2008 through 2015, inclusive, and the Series 2004 Bonds maturing on July 1 in the years 2008 through 2032, inclusive, and July 1, 2034.

**(b) Series 2007 Bonds.** There is hereby authorized the issuance under this Trust Agreement of a Series of Bonds in the aggregate principal amount of Three Hundred Million Dollars (\$300,000,000) which shall be designated the Authority’s “Transportation Facilities Projects Revenue Bonds, Series 2007,” for the purpose of financing all or a portion of the costs of the 2007 Projects. The Series 2007 Bonds are issued pursuant to Section 2.04 of this Trust Agreement and constitute Additional Bonds under this Trust Agreement, entitled to the full benefit and security of this Trust Agreement and secured equally and ratably and on a parity with the outstanding Series 1992 Bonds and the Series 2004 Bonds, except as otherwise provided in Section 4.01(b) of this Trust Agreement.

**(c) Additional Bonds.** No Additional Bonds may be issued under the provisions of this Trust Agreement except in accordance with this Article.

## **Section 2.02. Details of Outstanding Prior Bonds and Series 2007 Bonds.**

**(a) Series 1992 Bonds.** The Capital Appreciation Bonds of the Series 1992 Bonds dated August 15, 1992 in the original aggregate principal amount of \$40,895,294.55 have heretofore been issued as fully registered bonds without coupons. The outstanding Capital Appreciation Bonds bear interest at the rate or rates of interest per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) set forth below, is compounded on January 1, 1993 and on the 1<sup>st</sup> day of July and January thereafter until maturity and shall be payable at maturity. The outstanding Capital Appreciation Bonds mature on July 1 in each of the years and in amounts as follows:

### **Series 1992 Capital Appreciation Bonds:**

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2008	\$5,781,087.45	6.30%	2012	\$4,467,729.45	6.35%
2009	5,433,325.05	6.30	2013	816,810.00	6.35
2010	5,080,167.40	6.33	2014	767,310.00	6.35
2011	4,773,254.75	6.33	2015	720,810.00	6.35

The Capital Appreciation Bonds are not subject to optional redemption prior to maturity, and shall otherwise have the terms, tenor, denominations, details and specifications as set forth in the form of Series 1992 Bonds included in Appendix A-1. The Authority has heretofore adopted the form of Capital Appreciation Bonds set forth in Appendix A-1 and all of the covenants and conditions set forth therein, as and for the form of obligation to be incurred by the Authority as the Capital Appreciation Bonds of the Series 1992 Bonds. The covenants and conditions set forth in the form of Capital Appreciation Bond are incorporated into this Trust Agreement by reference and shall be binding upon the Authority as though set forth in full herein.

**(b) Series 2004 Bonds.** The Series 2004 Bonds dated July 1, 2004 in the original aggregate principal amount of \$160,000,000 have heretofore been issued as fully registered bonds without coupons. The outstanding Series 2004 Bonds bear interest at the rate or rates of interest per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) set forth below payable on January 1, 2005 and semiannually on the 1<sup>st</sup> days of July and January in each year thereafter. The outstanding Series 2004 Bonds mature on July 1 in each of the years and in amounts as follows:

**Serial Series 2004 Bonds:**

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2008	\$1,045,000	5.00%	2021	\$4,580,000	5.00%
2009	1,100,000	5.00	2022	4,810,000	5.00
2010	1,155,000	5.00	2023	5,050,000	5.00
2011	1,210,000	5.00	2024	5,305,000	5.00
2012	1,270,000	5.00	2025	5,570,000	5.00
2013	13,755,000	5.25	2026	5,845,000	5.00
2014	14,475,000	5.25	2027	6,140,000	5.00
2015	15,235,000	5.00	2028	6,445,000	5.00
2016	3,620,000	5.00	2029	6,770,000	5.00
2017	3,800,000	5.00	2030	7,105,000	5.00
2018	3,990,000	5.00	2031	7,460,000	5.00
2019	4,190,000	4.50	2032	7,835,000	5.00
2020	4,380,000	4.60			

**Term Series 2004 Bonds:**

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2034	\$16,860,000	5.00%

The Series 2004 Bonds are subject to optional redemption prior to maturity, and shall otherwise have the terms, tenor, denominations, details and specifications as set forth in the form of Series 2004 Bonds included in Appendix A-2. The Authority has heretofore adopted the form of Series 2004 Bonds set forth in Appendix A-2 and all of the covenants and conditions set forth therein, as and for the form of obligation to be incurred by the Authority as the Series 2004 Bonds. The covenants and conditions set forth in the form of Series 2004 Bond are incorporated into this Trust Agreement by reference and shall be binding upon the Authority as though set forth in full herein.

**(c) Series 2007 Bonds.** The Series 2007 Bonds dated September 20, 2007 shall be issued as fully registered bonds without coupons. The Series 2007 Bonds shall bear interest at the rate or rates of interest per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) set forth below payable on January 1, 2008 and semiannually on the 1<sup>st</sup> days of January and July in each year thereafter, and shall mature on July 1 in each of the years and in amounts as follows:

### **Serial Series 2007 Bonds:**

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2012	\$1,025,000	4.000%	2022	\$8,360,000	5.000%
2013	1,070,000	4.000	2023	8,755,000	4.375
2014	1,125,000	4.000	2024	9,170,000	4.500
2015	1,175,000	4.000	2025	9,610,000	4.625
2016	6,325,000	4.000	2026	10,065,000	4.500
2017	6,630,000	4.000	2027	10,535,000	5.000
2018	6,940,000	5.000	2028	11,040,000	4.625
2019	7,275,000	5.000	2029	11,560,000	4.625
2020	7,620,000	5.000	2030	12,110,000	5.000
2021	7,980,000	5.000	2031	12,685,000	5.000

### **Term Series 2007 Bonds:**

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2037	\$89,820,000	4.500%
2041	59,125,000	4.500

The Series 2007 Bonds shall be substantially in the form set forth in Appendix A-3, 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 forms of Series 2007 Bonds set forth in Appendix A-3 and all of the covenants and conditions set forth therein, as and for the form of obligation to be incurred by the Authority as the Series 2007 Bonds. The covenants and conditions set forth in the form of Series 2007 Bond are incorporated into this Trust Agreement by reference and shall be binding upon the Authority as though set forth in full herein.

The Series 2007 Bonds shall be subject to optional redemption prior to maturity, and shall otherwise have the terms, tenor, denominations, details and specifications as set forth in the form of Series 2007 Bonds included in Appendix A-3.

#### **(d) Additional Details of Bonds.**

(1) Additional Bonds shall be substantially in the form set forth in the Supplemental Agreement providing for the issuance of such Additional Bonds. Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Bonds may be listed or any usage or requirement of law with respect thereto.

(2) 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 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.

(3) 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.

(4) 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.

(5) Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America that on the respective dates of payment thereof is legal tender for the payment of public and private debts. Unless otherwise provided in a Supplemental Agreement, the principal of all Bonds shall be payable at the Designated Office of the Trustee upon the presentation and surrender of such Bonds as the same shall become due and payable.

(6) Interest on any Bond that is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid by check or draft (unless otherwise provided in a Supplemental Agreement) to the person in whose name that Bond is registered at the close of business on the Regular Record Date for such Interest Payment Date.

(7) Any interest on any Bond that is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the holder as of the relevant Regular Record Date solely by virtue of such holder's having been such holder on such date and such Defaulted Interest may be paid by the Authority, at its election in each case, as provided in paragraph (i) or (ii) below;

(i) The Authority may elect to make payment of any Defaulted Interest on the Bonds to the persons in whose names such Bonds are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed in the following manner. The Authority shall notify the Trustee, the Bond Registrar and any Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be a date that will enable the Trustee, Bond Registrar or Paying Agent to comply with this paragraph and at the same time the Authority shall deposit or cause to be deposited with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of

such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this paragraph provided. Thereupon, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest that shall be not more than 15 days nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment, or such fewer number of days as shall be acceptable to the Bond Registrar. The Trustee shall promptly notify the Authority and the Bond Registrar of such Special Record Date, and the Bond Registrar, in the name and at the expense of the Authority, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed to each holder not less than 10 days prior to such Special Record Date, but the failure to mail such notice or any defect not therein shall affect the payment of such Defaulted Interest. Such Defaulted Interest shall be paid to the persons in whose names the Bonds are registered on such Special Record Date and shall no longer be payable pursuant to the following paragraph (ii).

(ii) The Authority may make payment of any Defaulted Interest on the Bonds in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed and upon such notice as may be required by such exchange, if, after notice given by the Authority to the Trustee and the Bond Registrar of the proposed payment pursuant to this paragraph, such payment shall be deemed practicable by the Trustee.

### **Section 2.03. Conditions Precedent to Delivery of Series 2007 Bonds.**

The Series 2007 Bonds shall be executed by the Authority and delivered to the Trustee, whereupon the Trustee shall authenticate the Series 2007 Bonds and, upon payment of the purchase price of such Series 2007 Bonds, shall deliver the Series 2007 Bonds upon the order of the Authority, but only upon delivery to the Trustee of each of the following:

(a) a copy, certified by the Secretary, of the resolution authorizing the issuance of the Series 2007 Bonds, together with an executed counterpart of this Second Amended and Restated Trust Agreement, duly executed by the Authority and the Trustee;

(b) a copy, certified by the Secretary, of the resolution adopted by the Authority designating the purchaser of the Series 2007 Bonds, fixing the Amortization Requirements for the Series 2007 Bonds, if any, specifying the interest rate for each of the Series 2007 Bonds and directing the authentication and delivery of such Series 2007 Bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth and the accrued interest on such Series 2007 Bonds;

(c) a statement, signed by an Authority Representative (A) setting forth (1) a general description of the 2007 Projects, (2) the estimated cost to the Authority

of 2007 Projects, including an amount for contingencies but excluding financing charges, reserves and interest during construction, and (3) the Reference Date for each 2007 Project and (B) certifying that the proceeds of the Series 2007 Bonds (net of amounts required for financing charges, reserves and capitalized interest), together with other funds made or to be made available therefor, will be sufficient for paying the cost of the 2007 Projects;

(d) a certificate, signed by an Authority Representative:

(A) stating that the amount of the Net Revenues in twelve consecutive months out of the preceding eighteen is not less than the sum of (1) one hundred twenty percent (120%) of the amount of the Debt Service Requirements for the current Bond Year on account of all Bonds and any Parity Indebtedness then outstanding and (2) 100% of the amount to be deposited to the Maintenance and Operations Reserve Account in the current Bond Year;

(B) stating that the estimated amount of the Net Revenues for the current Bond Year and for each Bond Year to and including the fourth complete Bond Year following the Reference Date is not less than the sum of (1) one hundred twenty percent (120%) of the amount of the Debt Service Requirements for each such Bond Year on account of all Bonds and Parity Indebtedness then outstanding and the Principal and Interest Requirements of the Series 2007 Bonds and (2) one hundred percent (100%) of the amount to be deposited to the Maintenance and Operations Reserve Account in each such Bond Year;

(C) stating that the estimated amount of the Net Revenues for the fifth complete Bond Year following the Reference Date is not less than the sum of (1) one hundred twenty percent (120%) of the maximum amount of the Debt Service Requirements for any future Bond Year on account of all Bonds and Parity Indebtedness then outstanding and the Principal and Interest Requirements of the Series 2007 Bonds and (2) one hundred percent (100%) of the amount to be deposited to the Maintenance and Operations Reserve Account in such Bond Year;

(D) stating that the Authority is not then in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Trust Agreement; and

(c) an opinion of the Attorney General of Maryland or of the Assistant Attorney General and Principal Counsel to the Authority to the effect that the issuance of the Series 2007 Bonds has been duly authorized and that all conditions precedent to the delivery of the Series 2007 Bonds have been fulfilled.

**Section 2.04. Authorization of Additional Bonds; Conditions Precedent to Delivery of Additional Bonds.**

**(a) General.**

Additional Bonds may be issued under and secured by this Trust Agreement, subject to the conditions hereinafter provided in this Section, from time to time, for the purpose of (i) paying all or any part of the Cost of any additional Transportation Facilities Projects or any Improvements, including, without limitation, Transportation Facilities Projects initiated, under construction or completed and existing facilities, to be acquired from another Person, if and to the extent then permitted by law or (ii) providing funds, with any other available funds, for redeeming prior to their maturity or maturities, or for paying at their maturity or maturities, all or any part of any Indebtedness of the Authority then outstanding (including, without limitation, Bonds, Parity Indebtedness, Junior Obligations and Indebtedness payable from the General Account) that may have been issued or incurred under the provisions of the Enabling Legislation and whether or not under the provisions of this Trust Agreement, including the payment of any redemption premium thereon, and, if deemed necessary by the Authority, for paying the interest to accrue thereon to the date fixed for their redemption or payment and any expenses in connection with such refunding.

**(b) Conditions of Authentication and Delivery.**

Before any Bonds shall be issued under the provisions of this Section, the Authority shall adopt a resolution authorizing the issuance of such Bonds and fixing the amount and the details thereof. The Bonds of each Series issued under the provisions of this Section shall be designated, shall be dated, shall bear interest at a rate or rates, shall be stated to mature in such year or years and shall be made redeemable at such times and prices (subject to the provisions of Article III), may be insured and may be secured by a Credit Facility, all as may be provided by the resolution authorizing the issuance of such Bonds. Such Additional Bonds shall be executed by the Authority, authenticated by the Bond Registrar and delivered by the Trustee to or upon the order of the purchasers thereof upon the filing with the Trustee of the following:

(i) a copy, certified by the Secretary, of the resolution authorizing the issuance of such Bonds, together with an executed counterpart of the Supplemental Agreement, if any, entered into by the Authority and the Trustee in connection therewith, duly executed by the Authority and the Trustee;

(ii) a copy, certified by the Secretary, of the resolution adopted by the Authority designating the purchaser of such Bonds, fixing the Amortization Requirements for such Bonds, if any, specifying the interest rate for each of such Bonds and directing the authentication and delivery of such Bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth and the accrued interest on such Bonds;

(iii) a statement, signed by an Authority Representative (A) setting forth (1) a general description of the Transportation Facilities Project or Improvements to be financed and refinanced with the proceeds of such Bonds, if any, (2) the estimated cost to the Authority of any such Transportation Facilities Project or Improvement, including an amount for contingencies but excluding financing charges, reserves and interest during construction, and (3) the Reference Date for any such Transportation Facilities Project or Improvement; and (B) certifying that the proceeds of such Bonds (net of amounts required for financing charges, reserves and capitalized interest), together with other funds made or to be made available therefor, will be sufficient for paying the cost of such Transportation Facilities Project or Improvement, if any;

(iv) a certificate, signed by an Authority Representative:

(A) stating that the amount of the Net Revenues in twelve consecutive months out of the preceding eighteen is not less than the sum of (1) one hundred twenty percent (120%) of the amount of the Debt Service Requirements for the current Bond Year on account of all Bonds and any Parity Indebtedness then outstanding and (2) 100% of the amount to be deposited to the Maintenance and Operations Reserve Account in the current Bond Year;

(B) stating that the estimated amount of the Net Revenues for the current Bond Year and for each Bond Year to and including the fourth complete Bond Year following the Reference Date is not less than the sum of (1) one hundred twenty percent (120%) of the amount of the Debt Service Requirements for each such Bond Year on account of all Bonds and Parity Indebtedness then outstanding and the Principal and Interest Requirements of the Bonds then requested to be authenticated and delivered and (2) one hundred percent (100%) of the amount to be deposited to the Maintenance and Operations Reserve Account in each such Bond Year;

(C) stating that the estimated amount of the Net Revenues for the fifth complete Bond Year following the Reference Date is not less than the sum of (1) one hundred twenty percent (120%) of the maximum amount of the Debt Service Requirements for any future Bond Year on account of all Bonds and Parity Indebtedness then outstanding and the Principal and Interest Requirements of the Bonds then requested to be authenticated and delivered and (2) one hundred percent (100%) of the amount to be deposited to the Maintenance and Operations Reserve Account in such Bond Year;

(D) stating that the Authority is not then in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Trust Agreement; and

(v) an opinion of the Attorney General of Maryland or of the Assistant Attorney General and Principal Counsel to the Authority to the effect that the issuance of such Bonds has been duly authorized and that all conditions precedent to the delivery of such Bonds have been fulfilled.

Notwithstanding the foregoing, in the case of Bonds issued for the purpose of providing funds, with any other available funds, for redeeming prior to their maturity or maturities, including the payment of any redemption premium thereon, or for paying at their maturity or maturities, all or any part of the outstanding Bonds of any Series or any Parity Indebtedness and, if deemed necessary by the Authority, for paying the interest to accrue thereon to the date fixed for their redemption or payment and any expenses in connection with such refunding, the certificate required by clause (iv) above need not be provided if, in lieu thereof, there is delivered to the Trustee a certificate, signed by an Authority Representative, setting forth the respective amounts of the Debt Service Requirements for each Bond Year thereafter on account of all outstanding Bonds and Parity Indebtedness and the Bonds then requested to be authenticated and delivered and stating that the maximum amount of the Debt Service Requirements for any Bond Year thereafter during which any of the Bonds not so refunded are outstanding on account of all Bonds and Parity Indebtedness to be outstanding after the issuance of such Bonds, including the Bonds then to be delivered, shall not exceed the maximum amount of the Debt Service Requirements for any Bond Year thereafter on account of the outstanding Bonds and Parity Indebtedness immediately prior to the issuance of such Bonds, including the Bonds or Parity Indebtedness to be redeemed or paid.

**(c)      Determination of Debt Service Requirements and Principal and Interest Requirements.**

For all purposes of this Trust Agreement, in the case of the following described Indebtedness, the Debt Service Requirements and the Principal and Interest Requirements shall be determined as hereinafter indicated:

(i)      Balloon Indebtedness. In the case of any Indebtedness constituting Balloon Indebtedness or Balloon Indebtedness and Variable Rate Indebtedness, the Debt Service Requirements and the Principal Interest Requirements of such Indebtedness shall be determined as if it were to be amortized in substantially equal annual installments of principal and interest over a term equal to the lesser of (A) 25 years and (B) the weighted average estimated useful life of the facilities comprising the portion of the Transportation Facilities Project or Improvement financed or to be financed from the proceeds of such Indebtedness, the fixed interest rate used for such computation being the rate at which it is assumed that the Authority could reasonably expect to borrow or to have borrowed by issuing such Indebtedness with such term and level Debt Service Requirements for each Bond Year, such reasonable expectations being established by a certificate of an Authority Representative and a letter of a banking or investment banking or financial advisory institution knowledgeable in financial matters relating to the Authority, confirming the interest rate assumption as reasonable.

(ii)      Optional Tender Indebtedness. In the case of any Indebtedness constituting Optional Tender Indebtedness, (A) the option of the owners of such Indebtedness to tender the same for payment prior to the stated maturity or maturities thereof shall be ignored and (B) if such Indebtedness also constitutes Variable Rate Indebtedness or Variable Rate Indebtedness and Balloon Indebtedness, the Debt Service Requirements and

the Principal and Interest Requirements shall be determined as provided in clause (iii) below.

(iii) Variable Rate Indebtedness. In the case of any Indebtedness constituting Variable Rate Indebtedness, except as provided in clause (i) above and except for the purpose of determining any Reserve Subaccount Requirement, the Debt Service Requirements and the Principal and Interest Requirements of such Indebtedness shall be determined as if such Indebtedness bore 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 or issued during the immediately preceding 12-month period, the weighted average interest rate per annum borne by other outstanding Indebtedness having comparable terms and issued by, or secured by agreements issued by, entities of comparable creditworthiness as the obligors with respect to such Indebtedness during the immediately preceding 12-month period), and (2) the interest rate per annum borne by such Indebtedness on the date of calculation. The conversion of Bonds constituting Variable Rate Indebtedness to bear interest at a fixed rate or of Bonds bearing interest at a fixed rate to a variable rate in accordance with their terms shall not constitute a new issuance of Bonds under this Section.

(iv) Qualified Swaps. In the case of a Qualified Swap and any Indebtedness in respect of which the Authority has entered into a Qualified Swap, amounts payable under a Qualified Swap, including (without limitation) any amounts payable upon any termination of a Qualified Swap or other fees, expenses, indemnification or other obligations to a counterparty to a Qualified Swap, shall not be included within the Debt Service Requirements except as provided in clauses (A), (B) and (C) below and the Debt Service Requirements of such Indebtedness shall be:

- (A) the fixed rate or rates payable under the Qualified Swap if the Authority has entered into what is generally referred to as a “floating-to-fixed” Qualified Swap (where the Authority pays a fixed rate and receives a floating rate); or
- (B) the lower of (i) the Estimated Average Interest Rate and (ii) the effective capped rate of any Obligation or Parity Debt if the Authority has entered into a Qualified Swap that is generally referred to as an “interest rate cap” (where the Authority receives a payment if a variable rate exceeds a certain amount); or
- (C) the Estimated Average Interest Rate of the Qualified Swap if the Authority has entered into either what is generally referred to as a “fixed-to-floating” Qualified Swap (where the Authority pays a variable rate and receives a fixed rate) or a

“floating-to-floating” Qualified Swap (where the Authority pays a variable rate and receives a different variable rate).

**(d) Bonds and Parity Indebtedness Equally and Ratably Secured.**

Except as to any Credit Facility or insurance policy securing the Bonds of any Series or any Parity Indebtedness, any differences in the rate or rates of interest, the maturities or the provisions for redemption or purchase and such differences, if any, respecting the use of moneys in various subaccounts in the Debt Retirement Account and any accounts and subaccounts created for any particular Bonds or Parity Indebtedness, the outstanding Bonds and Parity Indebtedness shall be equally and ratably secured by and shall be entitled to the same benefit and security of this Trust Agreement as the Series 1992 Bonds, the Series 2004 Bonds, the Series 2007 Bonds and any other outstanding Bonds and Parity Indebtedness theretofore and thereafter issued under this Trust Agreement.

**Section 2.05. Execution and Authentication.**

Unless otherwise provided in a Supplemental Agreement, the Bonds shall bear the manual or facsimile signatures of the Chairman of the Authority and the Secretary or an Assistant Secretary or a Deputy Secretary of the Authority, but it shall not be necessary that the same officer sign all of the Bonds that may be issued hereunder at any one time, and a facsimile of the official seal of the Authority shall be imprinted on the Bonds.

In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any Bond may bear the facsimile signature of or may be signed by such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

Only such of the Bonds as shall have endorsed thereon a certificate of authentication duly executed by the Bond Registrar, shall be entitled to any benefit or security under this Trust Agreement. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Bond Registrar, and such certificate of the Bond Registrar upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Trust Agreement. The Bond Registrar's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the bonds that may be issued hereunder at any one time.

## **Section 2.06. 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 Bond Registrar.

If any Bond is surrendered to the Bond Registrar at its Designated Office for transfer or exchange in accordance with the provisions of such Bond, the Authority shall execute and the Bond Registrar 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 Bond Registrar of an amount equal to any tax or other governmental charge required to be paid with respect to such exchange.

Except as may otherwise provided in a Supplemental Agreement, neither the Authority nor the Bond Registrar 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 Bank), (a) during the 15 days preceding the date of mailing of any notice of redemption or purchase or (b) at any time after a notice of the redemption or purchase of such Bond or any portion thereof has been mailed.

## **Section 2.07. Temporary Bonds.**

Until definitive Bonds are ready for delivery, there may be executed, and upon request of the Authority the Bond Registrar shall authenticate and deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, temporary printed, engraved, typewritten or lithographed Bonds, in the form of fully registered Bonds without coupons substantially of the tenor hereinabove set forth and with such appropriate omissions, insertions and variations as may be required.

Until definitive Bonds are ready for delivery, any temporary Bond may, if so provided by the Authority by resolution, be exchanged at the Designated Office of the Bond Registrar, without charge to the owner thereof, for an equal aggregate principal amount of temporary, fully registered Bonds of authorized denominations, of like tenor, of the same Series and maturity and bearing interest at the same rate.

If temporary Bonds shall be issued, the Authority shall cause the definitive Bonds to be prepared and to be executed and delivered to the Bond Registrar, and the Bond Registrar, upon presentation to it at its Designated Office of any temporary Bond shall cancel the same and authenticate and deliver in exchange therefor at the place designated by the owner, without charge to the owner, a definitive Bond or Bonds of an equal aggregate principal amount, of authorized denominations of the same Series and maturity and bearing interest at

the same rate as the temporary Bond surrendered. Until so exchanged the temporary Bonds shall in all respects be entitled to the same benefit and security of this Trust Agreement as the definitive Bonds to be issued and authenticated hereunder.

### **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) 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 3.06 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.

## **Section 2.11. Ownership of Bond.**

The Authority, the Trustee, the Bond Registrar and the Paying Agents may deem and treat the person in whose name any Bond is registered on the books of the Authority kept by the Bond Registrar as the absolute owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest on, and the Purchase Price of, such Bond and for all other purposes whatsoever, whether or not such Bond be overdue and, to the extent permitted by law, neither the Authority, the Trustee, the Bond Registrar nor the Paying Agents shall be affected by any notice to the contrary.

## **ARTICLE III REDEMPTION AND PURCHASE OF BONDS**

### **Section 3.01. Optional Redemption of Bonds.**

**(a) Series 1992 Bonds.** The outstanding Capital Appreciation Bonds of the Series 1992 Bonds are not subject to optional redemption prior to their maturity.

**(b) Series 2004 Bonds.** Outstanding Series 2004 Bonds maturing on or after July 1, 2015 are subject to redemption prior to maturity, beginning on July 1, 2014 at the option of the Authority, as a whole or in part at any time, at a redemption price equal to the par amount thereof together with interest accrued to the date fixed for redemption

**(c) Series 2007 Bonds.** Outstanding Series 2007 Bonds maturing on or after July 1, 2018 are subject to redemption prior to maturity, beginning on July 1, 2017 at the option of the Authority, as a whole or in part at any time, at a redemption price equal to the par amount thereof together with interest accrued to the date fixed for redemption

### **Section 3.02. Mandatory Redemption of Bonds.**

**(a) Series 1992 Bonds.** The outstanding Capital Appreciation Bonds of the Series 1992 Bonds are not subject to mandatory redemption prior to their maturity.

**(b) Series 2004 Bonds.** The Amortization Requirement for the Series 2004 Bonds maturing July 1, 2034 shall require Sinking Fund Installments becoming due on July 1 of the following years in the following amounts:

**\$16,860,000 Term Bonds Due July 1, 2034**

<u>Year</u>	<u>Sinking Fund Installment</u>
2033	\$8,225,000
2034	8,635,000

**(c) Series 2007 Bonds.** The Amortization Requirement for the Series 2007 Bonds maturing July 1, 2037 and July 1, 2041 shall require Sinking Fund Installments becoming due on July 1 of the following years in the following amounts:

**\$89,820,000 Term Bonds Due July 1, 2037**

<u>Year</u>	<u>Sinking Fund Installment</u>
2032	\$13,290,000
2033	13,920,000
2034	14,580,000
2035	15,270,000
2036	16,000,000
2037	16,760,000*

**\$59,125,000 Term Bonds Due July 1, 2041**

<u>Year</u>	<u>Sinking Fund Installment</u>
2038	\$17,555,000
2039	18,390,000
2040	19,260,000
2041	3,920,000*

\* Final maturity.

**Section 3.03. Selection of Bonds to Be Redeemed or Purchased.**

The Bonds shall be redeemed or purchased only in the minimum Authorized Denomination authorized by this Trust Agreement or the applicable Supplemental Agreement (as the case may be) or in whole multiples of such minimum Authorized Denomination. In selecting Bonds for redemption or purchase, the Authority shall treat each Bond as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the minimum Authorized Denomination authorized by this Trust Agreement or the applicable Supplemental Agreement (as the case may be). If less than all of the Bonds shall be called for redemption or purchase, the particular Series and maturities of the Bonds to be redeemed or purchased shall be selected by the Authority.

If fewer than all of the Bonds of a Series of any one maturity shall be called for redemption or purchase, the Bond Registrar shall select the particular Bonds or portions of Bonds to be redeemed or purchased from such maturity by lot or in such other manner as the Bond Registrar 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 Bond Registrar 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 3.04. Notice of Redemption or Purchase.**

Except as otherwise provided in a Supplemental Agreement, at least 30 days before the redemption date of any Bonds, whether such redemption be as a whole or in part, the Authority shall cause a notice of any such redemption to be mailed to all owners of Bonds to be redeemed, but any defect in such notice or the failure so to mail any such notice shall not affect the validity of the proceedings for the redemption of any Bonds. Each such notice shall set forth the Bonds or portions thereof to be redeemed, the date fixed for redemption, the Redemption Price to be paid, the Series, and if less than the Bonds of a Series shall be called for redemption, the maturities of the Bonds to be redeemed and, if less than all of the Bonds of any one maturity then outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed and any conditions to such redemption. If any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion of such Bond and of the same Series and maturity will be issued.

Notice of any purchase of Bonds shall be provided in accordance with the requirements of the related Supplemental Agreement.

Any notice of the redemption or purchase of any Bonds given hereunder may be conditioned upon the receipt of funds to pay the Redemption Price or Purchase Price (as the case may be) of such Bonds or other circumstance.

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 Bond Registrar 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 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 3.05. Effect of Calling for Redemption of Bond.**

On the date fixed for redemption, any conditions to such redemption having been satisfied, the Bonds or portions thereof called for redemption shall be due and payable at the Redemption Price provided therefor, plus accrued interest to such date. If money or Government Obligations, or a combination of both, sufficient to pay the Redemption Price of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by the Trustee in trust for the holders of Bonds to be redeemed, interest on the Bonds called for redemption shall cease to accrue after the date fixed for redemption; such Bonds shall cease to be entitled to any benefits or security under this Trust Agreement or to be deemed outstanding; and the holders of such Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof, plus accrued interest to the date of redemption. Bonds and portions of Bonds for which irrevocable instructions to pay or to call for redemption on one or more specified dates have been given to the Trustee in form satisfactory to it shall not thereafter be deemed to be outstanding under this Trust Agreement and shall cease to be entitled to the security of or any rights under this Trust Agreement, other than rights to receive payment of the Redemption Price thereof and accrued interest thereon, to be given notice of redemption in the manner provided in Section 3.04, and, to the extent hereinafter provided, to receive Bonds for any unredeemed portions of Bonds.

### **Section 3.06. Redemption or Purchase of Portion of Bond.**

If a portion of an outstanding Bond shall be selected for redemption or purchase, the holder thereof or his attorney or legal representative shall present and surrender such Bond to the Trustee for payment of the Redemption Price or Purchase Price (as the case may be) on the redeemed or purchased portion of such outstanding Bond, and the Authority shall execute and the Trustee shall authenticate and deliver to or upon the order of such registered owner or his attorney or legal representative, without charge therefor, for the unredeemed or unpurchased portion of such Bond so surrendered, a Bond of the same Series and maturity and bearing interest at the same rate.

### **Section 3.07. Use of Government Obligations to Redeem Bonds.**

For purposes of all Sections in this Article, Government Obligations shall be deemed to be sufficient to pay or redeem Bonds on a specified date if the principal of and the interest on such Government Obligations, when due, will be sufficient to pay on such date the Redemption Price of, and the interest accruing on, such Bonds to such date.

### **Section 3.08. Redemption and Purchase of Additional Bonds.**

The provisions of this Article are subject in all respects to the provisions of any Supplemental Agreement authorizing any Additional Bonds with respect to the Additional Bonds authorized thereby.

## **ARTICLE IV** **REVENUES AND FUNDS**

### **Section 4.01. Creation of Funds and Accounts.**

(a) Except as otherwise provided in any Supplemental Agreement authorizing the issuance of any Additional Bonds in accordance with Section 2.04, the following funds and separate accounts within the funds are hereby created for all Bonds Outstanding under this Trust Agreement and shall be held and maintained as set forth under this Trust Agreement:

Transportation Facilities Projects Fund;  
    Capital Account  
    Debt Retirement Account  
    General Account  
    Junior Obligations Account  
    Maintenance and Operations Reserve Account  
    Operating Account; and  
    Rebate Fund.

The Capital Account, the General Account, the Junior Obligations Account, the Maintenance and Operations Reserve Account and the Operating Account of the Transportation Facilities Projects Fund shall be held by the Authority in trust. The Debt Retirement Account of the Transportation Facilities Projects Fund shall be held by the Trustee in trust. 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 any Supplemental Agreement authorizing the issuance of any Additional Bonds in accordance with Section 2.04. The Rebate Fund shall be held by the Trustee and is not pledged to the payment of any Bonds.

(b) The Trustee shall create within the Debt Retirement Account of the Transportation Facilities Projects Fund created by the first paragraph of this Section a separate 1992 Reserve Subaccount, 2004 Reserve Subaccount and 2007 Reserve Subaccount and shall segregate the funds and investment earnings thereon from the funds and investment earnings for all other Reserve Subaccounts within the Debt Retirement Account. The amount on deposit in the 1992 Reserve Subaccount, the 2004 Reserve Subaccount and the 2007 Reserve Subaccount shall be held in trust by the Trustee only for the benefit of the holders of the Series 1992 Bonds, the Series 2004 Bonds and the Series 2007 Bonds, respectively, and shall not be available to satisfy the claims of holders of any other Bonds issued under this Trust Agreement. The Trustee shall create within the Capital Account of the Transportation Facilities Projects Fund created by the first paragraph of this Section a separate 2007 Bond Proceeds Subaccount.

(c) As provided in Section 2.04, any Supplemental 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 and any Supplemental Agreement may contain one or more accounts or sub-accounts, as shall be deemed appropriate by the Authority.

#### **Section 4.02. Disposition of Proceeds of Bonds.**

(a) **Series 2007 Bonds.** The proceeds of the Series 2007 Bonds shall be received by the Trustee on behalf of the Authority. Upon receipt of the proceeds of the Series 2007 Bonds in the amount of \$300,905,071.60, the Authority hereby directs the Trustee to deposit \$10,212,834.44 of such proceeds in Bond Service Subaccount of the Debt Retirement Account to pay a portion of the interest accruing on the Series 2007 Bonds from the date of their issuance to July 1, 2011 and the balance of such proceeds in the amount of \$290,692,237.16 in the 2007 Bond Proceeds Subaccount of the Capital Account to pay the costs of the 2007 Projects and to pay the issuance costs of the Series 2007 Bonds.

(b) **Additional Bonds.** Except as may otherwise be provided in a Supplemental Agreement authorizing the issuance of a Series of Additional Bonds, the proceeds of each Series of Additional Bonds shall be applied as follows:

(1) The proceeds (excluding accrued interest) of any Additional Bonds shall be transferred by the Trustee to the Depository designated by the Authority for deposit to the credit of the Capital Account or applied in accordance with the further provisions of this Section; *provided*, however, that if such Bonds are to be secured by a Reserve Subaccount, the Trustee shall deduct from such proceeds and deposit to the credit of such Reserve Subaccount in the Debt Retirement Account such amount, if any, as may be required to make the amount then to the credit of such Reserve Subaccount equal to the Reserve Subaccount Requirement; and *provided*, further, that the Trustee shall deduct from such proceeds and deposit to the credit of the Bond Service Subaccount in the Debt Retirement Account or transfer to the Depository designated by the Authority for deposit to a special subaccount in the Capital Account such amount of interest during construction as is set forth in the resolution of the Authority authorizing the issuance of such Bonds.

(2) Simultaneously with the delivery of any Additional Bonds issued to refund any outstanding Indebtedness, the Trustee shall withdraw from the Bond Service Subaccount in the Debt Retirement Account, such amount, if any, as may have been deposited to the credit of the Bond Service Subaccount from revenues in the Operating Account for the payment of principal of or interest on the Indebtedness to be redeemed or paid. The amounts so withdrawn, the proceeds (excluding accrued interest but including any premium) of such Bonds and any other moneys (including any excess moneys to the credit

of the Reserve Subaccount in the Debt Retirement Account) that have been made available to the Trustee for such purpose, shall be held by the Trustee or an escrow deposit agent designated by the Authority or an escrow deposit agent designated by the Authority in trust for the sole and exclusive purpose of paying the principal of, the redemption premium, if any, on and the interest that will become due and payable on or prior to the date of redemption or payment on the Indebtedness to be redeemed, prepaid or paid.

(3) All expenses in connection with the issuance of any Additional Bonds may be paid from the Operating Account, the General Account or the proceeds of such Additional Bonds.

(4) The amount, if any, received as accrued interest on any Additional Bonds shall be deposited with the Trustee to the credit of the Bond Service Subaccount in the Debt Retirement Account.

#### **Section 4.03. Items of Cost.**

For the purposes of this Trust Agreement the Cost of Transportation Facilities Projects and Improvements shall include the cost of constructing or acquiring the same, and, without intending thereby to limit or restrict any proper definition of such Cost under the provisions of the Enabling Legislation, shall include the following:

(a) obligations incurred for labor and materials and to contractors, builders and materialmen, for machinery and equipment, for the restoration or relocation of property damaged or destroyed in connection with such construction, for the removal or relocation of structures, for the clearing of lands and for the relocation of utilities;

(b) the cost of acquiring by purchase, if such purchase shall be deemed expedient, and the amount of any deposit in court or award or final judgment in or any settlement or compromise of any proceeding to acquire by eminent domain, such lands, property, rights, rights of way, easements, franchises and other interests as may be deemed necessary or convenient by the Authority, options and partial payments thereon, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, and the amount of any damages incident to or consequent upon the construction and operation of Transportation Facilities Projects and Improvements;

(c) interest on any Bonds issued to finance the construction of Transportation Facilities Projects and Improvements prior to the commencement of and during the construction of such Transportation Facilities Projects or Improvements and after the completion of their construction, amounts needed to establish reserves and the reasonable fees of the Trustee, the Bond Registrar and the Paying Agents for the payment of such interest;

(d) the fees and expenses of the Trustee, the Bond Registrar, Paying Agents, indexing agents, remarketing agents and other fiscal agents for their services prior to and during construction, taxes or other municipal or governmental charges lawfully levied or assessed during construction, fees of Credit Banks and Insurers during construction and premiums on insurance (if any) during construction;

(e) the cost of borings and other preliminary investigations to determine foundation or other conditions, expenses necessary or incident to determining the feasibility or practicability of constructing Transportation Facilities Projects and Improvements, and fees and expenses of engineers for making studies, surveys and estimates of costs and of revenues and other estimates and for preparing plans and specifications and supervising construction, as well as for the performance of all other duties of engineers;

(f) expenses of administration properly chargeable to Transportation Facilities Projects and Improvements, legal expenses and fees, financing charges, cost of audits and of preparing and issuing the Bonds, and all other items of expense not elsewhere in this Section specified incident to the construction and equipment of Transportation Facilities Projects and Improvements, the financing thereof, the placing of the same in operation (including the initial premiums on any insurance required or obtained under the provisions of this Trust Agreement), and the acquisition of lands, property, rights, rights of way, easements, franchises and interests therefor, including abstracts of title, title insurance, cost of surveys and other expenses in connection with such acquisition; and

(g) any obligation or expense heretofore or hereafter incurred by the Department in connection with Transportation Facilities Projects and Improvements with the approval of the Authority or by the Authority for any of the foregoing purposes.

#### **Section 4.04. Capital Account**

(a) A special fund is hereby created within the Transportation Facilities Projects Fund and designated "Maryland Transportation Authority Transportation Facilities Projects Fund Capital Account" (the "Capital Account"), to the credit of which such deposits shall be made as are required by the provisions of Sections 4.02, 6.06(b) and 6.12.

(b) Except as otherwise provided in paragraph (c), the moneys in the Capital Account shall be held by the Authority in trust and shall be applied to the payment of the Cost of Transportation Facilities Projects and Improvements or of the repair, replacement or reconstruction of any damaged or destroyed Transportation Facilities Project or shall be paid to the Trustee and applied to the retirement of Bonds and, pending such application, the proceeds of Bonds and Junior Obligations issued for the purpose of paying all or any part of the cost of any additional Transportation Facilities Project or any Improvements shall be subject to a lien and charge in favor of the owners of the outstanding Bonds and for the further security of such owners until disbursed.

(c) Except for the proceeds of any Series of Bonds, Parity Indebtedness or Junior Obligations, the Authority may from time to time transfer any moneys from the Capital Account to the Operating Account or such other account as the Authority may determine by providing written directions to the Trustee stating that the amount so to be transferred is not required for the purposes set forth in this Section.

(d) Payments and transfers from the Capital Account shall be made by the Authority in accordance with the provisions of this Section, and the Authority covenants that it will not pay or cause or agree to permit to be paid from the Capital Account any amount except in accordance with such provisions. Payments and transfers from the Capital Account shall be made by an appropriate officer or employee of the Authority in accordance with the procedures established from time to time by the Authority. All such written requests and any other written orders, statements, certificates and approvals required by this Section or by resolution of the Authority in accordance herewith may be conclusively relied upon by such officer or employee and shall be retained by such officer or employee, subject at all reasonable times to inspection by the Trustee.

#### **Section 4.05. Operating Account.**

A special account is hereby created in the Transportation Facilities Projects Fund and designated "Maryland Transportation Authority Transportation Facilities Projects Fund Operating Account" (the "Operating Account"). The Authority covenants that all revenues will be collected by the Authority and deposited promptly as earned to the credit of the Operating Account. The Operating Account may include one or more subaccounts as the Authority shall determine from time to time.

The moneys in the Operating Account shall be held by the Authority in trust and applied as hereinafter provided and, pending such application, such moneys shall be subject to a lien and charge in favor of the owners of the outstanding Bonds and Parity Indebtedness.

Payments from the Operating Account, except the withdrawals the Authority is required to make as provided in Section 4.06, shall be made by an appropriate officer or employee of the Authority in accordance with the procedures established from time to time by resolution of the Authority, and amounts so withdrawn shall be applied to the payment of Current Expenses. The Authority covenants that the total amount of such payments will not be in excess of the unencumbered balance of the amounts provided for Current Expenses in the Annual Budget or any amendment thereof or supplement thereto.

#### **Section 4.06. Debt Retirement Account; Additional Accounts.**

##### **(a) General.**

A special account is hereby created in the Transportation Facilities Projects Fund and designated "Maryland Transportation Authority Transportation Facilities Projects Fund Revenue Bonds Interest and Debt Retirement Account" (the "Debt Retirement Account"). There are hereby created four separate subaccounts in the Debt Retirement Account

designated “Bond Service Subaccount”, “1992 Reserve Subaccount”, “2004 Reserve Subaccount and “2007 Reserve Subaccount,” respectively. Three additional special accounts are hereby created in the Transportation Facilities Projects Fund and designated “Maryland Transportation Authority Transportation Facilities Projects Fund Maintenance and Operations Reserve Account” (the “Maintenance and Operations Reserve Account”), “Maryland Transportation Authority Transportation Facilities Projects Fund Junior Obligations Account” (the “Junior Obligations Account”), and “Maryland Transportation Authority Transportation Facilities Projects Fund General Account” (the “General Account”).

The moneys in the Debt Retirement Account shall be held by the Trustee in trust, and the moneys in the Maintenance and Operations Reserve Account, the Junior Obligations Account and the General Account shall be held by the Authority in trust, and applied as hereinafter provided. The moneys in the Debt Retirement Account, pending such application, shall be subject to a lien and charge in favor of the owners of the outstanding Bonds and Parity Indebtedness and for the further security of such owners until paid out or transferred as herein provided. The Debt Retirement Account, the Maintenance and Operations Reserve Account, the Junior Obligations Account and the General Account may include one or more subaccounts as the Authority shall determine from time to time.

**(b) Withdrawals and Transfers from Operating Account.**

It shall be the duty of the Authority, on or before the 20th day of each month and on such other Deposit Days as may be required for Bonds of any one or more Series pursuant to a Supplemental Agreement to withdraw from the Operating Account an amount equal to the amount of all moneys held for the credit of the Operating Account on the last day of the preceding month less an amount (to be held as a reserve for Current Expenses) not in excess of 20% of the amount shown by the Annual Budget to be necessary for Current Expenses for the current fiscal year (any percentage less than 20% to be determined by the Authority by resolution from time to time filed with the Trustee) and set aside or pay to the Trustee the sum so withdrawn for deposit to the credit of the following accounts and subaccounts in the following order:

(i) pay to the Trustee for deposit to the credit of the Bond Service Subaccount:

(A) beginning on the Deposit Day of the month next succeeding the month in which the Closing shall occur, one-sixth (1/6) of the interest payable on the Bonds on the next Interest Payment Date:

(B) beginning on the twentieth (20th) day of July in the Bond Year next preceding the Bond Year on the first day of which any serial Bond matures, one- twelfth (1/12) of the principal of all serial Bonds due on the next ensuing July 1;

(C) beginning on the twentieth (20th) day of July in the Bond Year next preceding the Bond Year on the first day of which any Term Bond is scheduled to be called for mandatory sinking fund redemption or to mature, one-twelfth (1/12) of the amount required to retire the Term Bonds to be called by mandatory redemption or to be paid at maturity on the next ensuing July 1 in accordance with the Amortization Requirements therefor; and

(D) such amount of the Debt Service Requirements as the Authority determines is necessary to accrue in monthly installments and to assure the sufficiency of deposits to make timely payment of Parity Indebtedness; *provided*, however, that in making such payments, the Authority may take into account any accrued interest deposited from the proceeds of Bonds and any amounts specified in a certificate of an Authority Representative delivered to the Trustee prior to such Deposit Day as credited to a special subaccount in the Capital Account dedicated to pay interest on Bonds or Parity Indebtedness and anticipated to be available to pay interest on Bonds or Parity Indebtedness on the next Interest Payment Date;

(ii) deposit to the credit of the Maintenance and Operations Reserve Account, such amount, if any, of any balance remaining after making the payment under clause (i) above (or the entire balance if less than the required amount) as may be required to make the amount deposited in such month to the credit of the Maintenance and Operations Reserve Account equal to the amount set forth in the Annual Budget as provided by Section 6.17 to be deposited therein during such month;

(iii) pay to the Trustee for deposit to the credit of the Reserve Subaccount (A) beginning on the Deposit Day of the month next succeeding the month in which an amount is transferred from the Reserve Subaccount to the Bond Service Subaccount to cure a deficiency therein pursuant to Section 4.09, an amount that, together with investment income credited to the Reserve Subaccount during such month, is equal to one-twenty-third (1/23) of the amount or amounts so transferred until the amount then on deposit in the Reserve Subaccount is equal to the current Reserve Subaccount Requirement and (B) beginning on the Deposit Day of the month next succeeding a valuation made in accordance with Section 5.03 in which valuation a loss resulting from a decline in value of investments held to the credit of the Reserve Subaccount is computed, an amount that, taking into account any gain or loss in a subsequent valuation and any investment income credited to the Reserve Subaccount during such month is equal to one-twenty-third (1/23) of such loss until the amount of such loss is reimbursed;

(iv) deposit to the credit of the Junior Obligations Account, such amount, if any, of any balance remaining after making the payments and deposits under clauses (i), (ii) and (iii) above (or the entire balance if less than the required amount) as may be required by the Supplemental Agreement or Agreements applicable to the outstanding Junior Obligations; and

(v) deposit to the credit of the General Account, the balance, if any, remaining after making the deposits required under clauses (i), (ii), (iii) and (iv) above.

The payments and deposits required pursuant to this Section shall be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be paid or deposited in each month thereafter until such time as such deficiency shall have been made up.

If any additional Bond Service Subaccounts or Reserve Subaccounts are created for any Bonds or Parity Indebtedness then (i) the Revenues required to be deposited in the Bond Service Subaccount on any date shall be deposited *pro rata* among all such Bond Service Subaccounts on the basis of the respective amounts required to be deposited in such Bond Service Subaccounts on such date, (ii) the Revenues required to be deposited in the Reserve Subaccount on any date shall be allocated *pro rata* among all such Reserve Subaccounts on the basis of the respective aggregate principal amounts of the Bonds and Parity Indebtedness outstanding secured by such Reserve Subaccounts and (iii) 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 Bonds or Parity Indebtedness or the transfer of amounts on deposit in any fund or account maintained for any Bonds or Parity Indebtedness to any other fund or account shall refer to the fund or account maintained for such Bonds or Parity Indebtedness, respectively.

Notwithstanding the provisions of clause (i) above:

(A) if there shall be held to the credit of the Bond Service Subaccount on a Deposit Day the amount required to be on deposit to the credit of the Bond Service Subaccount on the next Interest Payment Date or the next Principal Payment Date, no further deposit into the Bond Service Subaccount on such Deposit Day shall then be required; and

(B) if the Supplemental Agreement authorizing any Series of Bonds shall provide that the interest is payable otherwise than semiannually or other than on January 1 or July 1 of each year or that the principal or Amortization Requirements are payable otherwise than on a July 1, then the Authority shall provide in such Supplemental Agreement for such deposits to the Bond Service Subaccount as shall be necessary to accrue in monthly installments and to assure the sufficiency of the required deposits to make timely payment of the debt service on such Bonds.

#### **Section 4.07. Application of Moneys in Bond Service Subaccount.**

The Trustee shall, immediately preceding each Interest Payment Date, withdraw from the Bond Service Subaccount and transfer to the Bond Registrar, and the Bond Registrar shall (a) remit by mail or wire transfer to each registered owner the amounts required for paying the interest on such Bonds as such interest becomes due and payable and (b) set aside or deposit in trust with any Paying Agent the amounts required for paying the

principal of the Bonds as such principal becomes due and payable. Payment of Parity Indebtedness shall be timely made from moneys set aside for such purpose in the Bond Service Subaccount, and the Trustee shall pay or deposit in trust with the Bond Registrar or any Paying Agent the amounts required for paying such Parity Indebtedness.

Upon the direction of the Authority, the Trustee shall endeavor to purchase Bonds from amounts on deposit in the Bond Service Account for the payment of the principal of or the Amortization Requirement for such Bonds prior to maturity at the most advantageous price obtainable with reasonable diligence, such price not to exceed the principal of such Bonds. The Trustee shall pay the purchase price and the interest accrued on such Bonds to the date of settlement therefor from the Bond Service Subaccount.

In the case of Bonds secured by a Credit Facility, amounts on deposit in the Bond Service Subaccount may be applied as provided in the applicable Supplemental Agreement to reimburse the Credit Bank for amounts drawn under such Credit Facility to pay the principal of and premium, if any, and interest on such Bonds.

#### **Section 4.08. Use of Maintenance and Operations Reserve Account.**

##### **(a) General.**

Except as hereinafter provided in this Section, moneys held for the credit of the Maintenance and Operations Reserve Account shall be disbursed by the Authority or, to the extent provided in clause (iv) below, set aside in reserve, for the purpose of paying the cost of:

(i) unusual or extraordinary maintenance or repairs, maintenance or repairs not recurring annually, and renewals and replacements, including major items of equipment;

(ii) repairs or replacements resulting from an emergency caused by some extraordinary occurrence when the moneys in the Operating Account and insurance proceeds, if any, available therefor are insufficient to meet such emergency;

(iii) engineering expenses incurred under the provisions of this Section; and

(iv) extraordinary premiums on purchased insurance carried, or payments to be set aside in reserve for self-insurance maintained, under the provisions of this Trust Agreement.

Such disbursements by the Authority shall be made in accordance with the provisions of Section 4.05 for payments from the Operating Account to the extent that such provisions may be applicable.

**(b) Transfers from Maintenance and Operations Reserve Account.**

If the moneys held for the credit of the Bond Service Subaccount and the Reserve Subaccount shall be insufficient to pay the principal of and interest on all outstanding Bonds and Parity Indebtedness at the time such interest and principal becomes due and payable, then the Authority may transfer from any moneys held for the credit of the Maintenance and Operations Reserve Account to the Trustee for deposit to the credit of the Bond Service Subaccount an amount sufficient to make up any such deficiency. Any moneys so transferred from the Maintenance and Operations Reserve Account shall be restored from available moneys in the Operating Account, subject to the same conditions as are prescribed for deposits to the credit of the Maintenance and Operations Reserve Account under the provisions of Section 4.06.

The Authority may from time to time transfer any moneys from the Maintenance and Operations Reserve Account to the Operating Account or the Capital Account as the Authority may determine by resolution filed with the Trustee and stating that the amount so to be transferred is not required for the purposes for which the Maintenance and Operations Reserve Account has been created. The Authority shall from time to time deposit to the credit of the Maintenance and Operations Reserve Account any moneys received pursuant to Section 6.06.

**Section 4.09. Application of Moneys in Reserve Subaccounts.**

**(a) General.** Except as otherwise provided in a Supplemental Agreement, moneys held for the credit of the Reserve Subaccount for a Series of Bonds or Parity Indebtedness shall be transferred to the credit of the Bond Service Subaccount for such Series of Bonds or Parity Indebtedness and used for the purpose of paying the Debt Service Requirements of outstanding Bonds for such Series of Bonds or Parity Indebtedness whenever and to the extent that the moneys held for the credit of the Bond Service Subaccount shall be insufficient for such purpose, provided that amounts on deposit in the Reserve Subaccount for a Series of Bonds or Parity Indebtedness shall not be applied to the payment of any Bond of any Series or Parity Indebtedness that is not secured by such Reserve Subaccount.

If at any time during the first 15 days of May or November in any year the moneys held for the credit of the Reserve Subaccount for a Series of Bonds or Parity Indebtedness shall exceed an amount equal to the Reserve Subaccount Requirement for such Series of Bonds or Parity Indebtedness or such greater amount as shall be determined by the Authority by resolution from time to time filed with the Trustee for such Reserve Subaccount, such excess shall be transferred by the Trustee to the Authority for deposit to the credit of the Operating Account. The Trustee may however, in its discretion, transfer such excess moneys to the Authority for deposit to the credit of the Operating Account at any time.

If the amount transferred from a Reserve Subaccount to the Bond Service Subaccount pursuant to the foregoing provisions of this Section shall be less than the

amount required to be transferred under such provisions, any amount thereafter deposited to the credit of such Reserve Subaccount shall be immediately transferred to the Bond Service Subaccount as, and to the extent, required to make up any such deficiency.

Whenever the amount on deposit in the Reserve Subaccount for a Series of Bonds or Parity Indebtedness (as the case may be) is less than the Reserve Subaccount Requirement for such Series of Bonds or Parity Indebtedness, the Trustee shall notify the Authority of the amount of the deficiency. Upon such notification, the Authority immediately shall pay, and shall pay on the Deposit Day in each month thereafter, to the Trustee for deposit to the credit of such Reserve Subaccount an amount not less than one-twenty-third (1/23rd) of the amount of such deficiency until such deficiency is made up, drawing upon funds available in the Operating Account.

In the case of Bonds or Parity Indebtedness secured by a Credit Facility, amounts on deposit in the Reserve Subaccount may be applied as provided in the applicable Supplemental Agreement to reimburse the Credit Bank for amounts drawn under such Credit Facility to pay the principal of and premium, if any, and interest on and the Purchase Price of such Bonds or Parity Indebtedness.

**(b) 1992 Reserve Subaccount.** Any provision of this Trust Agreement notwithstanding, the amount on deposit in the 1992 Reserve Subaccount shall be pledged solely and exclusively to the payment of the Debt Service Requirements of the Series 1992 Bonds, and shall not be available to pay the Debt Service Requirements of the Series 2004 Bonds, the Series 2007 Bonds, or of any Series of Additional Bonds or Parity Indebtedness which the Authority may issue pursuant to a Supplemental Agreement. No amounts on deposit in the 2004 Reserve Subaccount or the 2007 Reserve Subaccount created under this Trust Agreement shall be available for the payment of the Debt Service Requirements of the Series 1992 Bonds.

**(c) 2004 Reserve Subaccount.** Any provision of this Trust Agreement notwithstanding, the amounts on deposit in the 2004 Reserve Subaccount shall be pledged solely and exclusively to the payment of the Debt Service Requirements of the Series 2004 Bonds, and shall not be available to pay the Debt Service Requirements of the Series 1992 Bonds, the Series 2007 Bonds, or of any Series of Additional Bonds or Parity Indebtedness which the Authority may issue pursuant to a Supplemental Agreement. No amounts on deposit in the 1992 Reserve Subaccount or the 2007 Reserve Subaccount created under this Trust Agreement shall be available for the payment of the Debt Service Requirements of the Series 2004 Bonds.

**(d) 2007 Reserve Subaccount.** Any provision of this Trust Agreement notwithstanding, the amount on deposit in the 2007 Reserve Subaccount shall be pledged solely and exclusively to the payment of the Debt Service Requirements of the Series 2007 Bonds, and shall not be available to pay the Debt Service Requirements of the Series 1992 Bonds, the Series 2004 Bonds, or of any Series of Additional Bonds or Parity Indebtedness which the Authority may issue pursuant to a Supplemental Agreement. No amounts on deposit in the 1992 Reserve Subaccount or the 2004 Reserve Subaccount created under this

Trust Agreement shall be available for the payment of the Debt Service Requirements of the Series 2007 Bonds.

#### **Section 4.10. Application of Moneys in the Junior Obligations Account.**

Moneys held for the credit of the Junior Obligations Account shall be applied to the retirement of Junior Obligations in accordance with their terms. Moneys held for the credit of the Junior Obligations Account may be pledged to the payment of the principal of and the interest on any Junior Obligations issued by the Authority. Junior Obligations may be issued by the Authority for the purpose of paying all or any part of the cost of any additional Transportation Facilities Project or Projects or any Improvements, and the proceeds of such Junior Obligations shall be deposited with the Authority to the credit of the Capital Account. Junior Obligations may also be issued by the Authority for the purpose of providing funds, with any other available funds, for redeeming prior to their maturity or maturities, or for paying at their maturity or maturities, all or any part of the outstanding Bonds of any Series or of other Indebtedness or Junior Obligations. The Authority shall have the right to covenant with the holders from time to time of any Junior Obligations issued by the Authority to add to the conditions, limitations and restrictions under which any Additional Bonds may be issued under this Trust Agreement.

#### **Section 4.11. Use of General Account.**

##### **(a) General.**

The Authority shall from time to time (a) transfer or deposit to the credit of any account or subaccount created under the provisions of this Trust Agreement any moneys held for the credit of the General Account or (b) deposit any such moneys in the Transportation Authority Fund, a special fund created and designated by the Enabling Legislation, or any other fund permitted by law, upon the receipt of a certified copy of a resolution duly adopted by the Authority directing such transfer or payment or (c) apply such moneys for any purpose related to any General Account Project or Projects or (d) apply such moneys for the payment of any amount payable by the Authority upon the termination of a Qualified Swap or other fees, expenses, indemnification or other obligations to a counterparty to a Qualified Swap, which payments shall not be paid from any fund or account established under this Trust Agreement other than the General Account.

##### **(b) Payments from General Account.**

Payments from the General Account shall be made by an appropriate officer or employee of the Authority in accordance with the procedures established from time to time by resolution of the Authority.

## **Section 4.12. Application and Pledge of Moneys in Debt Retirement Account and Junior Obligations Account.**

Subject to the terms and conditions set forth in this Trust Agreement and except as otherwise provided in a Supplemental Agreement, moneys held for the credit of the Bond Service Subaccount and the Reserve Subaccount shall be held in trust and disbursed by the Trustee for (a) the payment of interest on the outstanding Bonds as such interest becomes due and payable, or (b) the payment of the principal of such Bonds at their respective maturities, or (c) the payment of the Purchase or Redemption Price of such Bonds before their respective maturities or (d) the payment of outstanding Parity Indebtedness, and such moneys are hereby pledged to and charged with the payments mentioned in this Section. Except as otherwise provided in this Trust Agreement or in any Supplemental Agreement, moneys held for the credit of the Junior Obligations Account shall be held in trust and disbursed by the Authority for the payment of Junior Obligations in accordance with their terms, and such moneys are hereby pledged to and charged with such payment.

## **Section 4.13. Moneys Set Aside to be Held in Trust.**

All moneys that the Trustee shall have withdrawn from the Debt Retirement Account or shall have received from any other source and set aside, or deposited with the Bond Registrar or Paying Agents, for the purpose of paying any of the Bonds or Parity Indebtedness hereby secured, either at the maturity thereof or upon call for redemption or prepayment, shall be held in trust for the respective owners of such Bonds or Parity Indebtedness. All moneys that shall have been withdrawn by the Authority from the Junior Obligations Account or shall have been received by the Authority from any source and set aside for the payment of Junior Obligations shall be held in trust for the owners of such Junior Obligations. But any moneys that shall be so set aside or deposited and that shall remain unclaimed by the owners of such Indebtedness for the period of four years after the date on which such Indebtedness shall have become due and payable shall upon request in writing be paid to the Authority or to such officer, board or body as may then be entitled by law to receive the same, and thereafter the owners of such Indebtedness shall look only to the Authority or to such officer, board or body, as the case may be, for payment and then only to the extent of the amounts so received without any interest thereon, and the Trustee, the Bond Registrar and the Paying Agents shall have no responsibility with respect to such moneys.

# **ARTICLE V**

## **DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS**

### **Section 5.01. Deposits Constitute Trust Funds.**

#### **(a) General.**

All moneys received by the Authority under the provisions of this Trust Agreement shall be held in trust and shall be applied only in accordance with the provisions of this Trust

Agreement. Such moneys shall be trust funds to the extent provided herein and shall not be subject to any lien or attachment by any creditor of the Authority.

**(b) Qualifications of Depositaries.**

No moneys shall be deposited with any Depositary, other than the Trustee, in an amount exceeding 50% of the amount which an officer of such Depositary shall certify to the Authority as the combined capital and surplus of such Depositary.

**(c) Security for Deposits.**

All moneys deposited with the Trustee or any other Depositary hereunder shall be continuously secured, for the benefit of the Authority and the owners of the Bonds and Parity Indebtedness, either (i) by lodging with a bank or trust company approved by the Authority and by the Trustee as custodian, as collateral security, Government Obligations, or, with the approval of the Trustee, other marketable securities eligible as security for the deposit of trust funds under applicable regulations of the Comptroller of the Currency of the United States or applicable state law or regulations, having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (ii) if the furnishing of security as provided in clause (i) above is not permitted by applicable law, in such other manner as may then be required or permitted by applicable state or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Bond Registrar or Paying Agents to give security for the deposit of any moneys with them for the payment of the principal of or the redemption premium or the interest on any Bonds, or for the Trustee to give security for any moneys that shall be represented by obligations purchased under the provisions of this Article as an investment of such moneys.

All moneys held by the Authority or deposited with the Trustee shall be credited to the particular account or subaccount to which such moneys belong.

**Section 5.02. Investment of Moneys.**

**(a) General.**

Moneys held for the credit of the Operating Account shall be invested from time to time, by any one of the officers or employees of the Authority who shall be designated by the Authority by resolution for such purpose, in Investment Obligations that shall mature, or that shall be subject to redemption by the holder thereof at the option of such holder, not later than one year after the date of such investment.

**(b) Investment of Moneys in Bond Service Subaccount.**

Moneys held for the credit of the Bond Service Subaccount (to the extent such moneys are not applied to the purchase of Bonds under the provisions of this Trust Agreement) in the Debt Retirement Account shall be invested and reinvested by the Trustee as shall be directed by the Authority in Investment Obligations that shall mature, or that

shall be subject to redemption at the option of the holder, not later than the respective dates on which the moneys held for the credit of the Bond Service Subaccount will be required for the purposes intended.

**(c) Investment of Moneys in Reserve Subaccount.**

Moneys held for the credit of the Reserve Subaccount shall be invested and reinvested by the Trustee as shall be directed by the Authority in Investment Obligations that shall mature, or that shall be subject to redemption by the holder thereof at the option of such holder, not later than 15 years after the date of such investment.

**(d) Investment of Moneys in Maintenance and Operations Reserve Account.**

Moneys held for the credit of the Maintenance and Operations Reserve Account shall be invested from time to time by any one of the officers or employees of the Authority who shall be designated by the Authority by resolution for such purpose in Investment Obligations that shall mature, or that shall be subject to redemption at the option of the holder, not later than 15 years after the date of such investment.

**(e) Investment of Moneys in Capital Account and General Account.**

Moneys held for the credit of the Capital Account and the General Account shall be invested from time to time by the officers or employees of the Authority who shall be designated by the Authority by resolution for such purpose in Investment Obligations.

**(f) Investments Deemed to Be Part of Account or Subaccount for Which Purchased.**

Investment Obligations purchased as an investment of moneys in any account or subaccount created by this Trust Agreement shall be deemed at all times to be a part of such account or subaccount, and the interest accruing thereon and any profit realized from such investment shall be credited to such account or subaccount, and any loss resulting from such investment shall be charged to such account or subaccount; provided, however, that the interest accruing on the investment of moneys in the Bond Service Subaccount and the Reserve Subaccount and any profit realized from such investment shall be credited to the Operating Account. The Trustee or the Authority shall sell at the best price obtainable or present for redemption any obligations so purchased whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from any such account or subaccount. Neither the Trustee nor the Authority shall be liable or responsible for any loss resulting from any such investment.

**Section 5.03. Valuation.**

For the purpose of determining the amount on deposit to the credit of any such account or subaccount created by this Trust Agreement, obligations in which money in such account or subaccount shall have been invested shall be valued at the market value.

The Trustee and the Authority shall value the investments in the accounts and subaccounts created by this Trust Agreement semi-annually each May 30 and November 30. In addition, the investments of the accounts and subaccounts created by this Trust Agreement shall be valued by the Trustee at any time requested by the Authority on reasonable notice.

If upon valuation of the obligations on deposit to the credit of the Reserve Subaccount, the balance to the credit of the Reserve Subaccount is less than the Reserve Subaccount Requirement, the Trustee shall compute the amount by which the Reserve Subaccount Requirement exceeds such balance and shall immediately give the Authority notice of such deficiency and of the amount necessary to cure the same.

**Section 5.04. Covenant as to Arbitrage; Tax-Exempt Bonds Not to be Arbitrage Bonds; Rebate Fund.**

The Authority agrees that so long as any of the Bonds remain outstanding, moneys on deposit in any account or subaccount maintained in connection with the Bonds, whether such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 103(c) of the Code and applicable regulations promulgated from time to time thereunder. The Authority shall observe and not violate the requirements of Section 103(c) of the Code and any such applicable regulations. In the event that the Authority is of the opinion that it is necessary to restrict or limit the yield on the investment of moneys held by it or the Trustee pursuant to this Trust Agreement, or to use such moneys in a certain manner, in order to avoid the Bonds being considered "arbitrage bonds" within the meaning of Section 103(c) of the Code and the regulations thereunder, the Authority may issue to the Trustee a written certificate to such effect and appropriate instructions, in which event the Trustee shall take such action as is necessary to restrict or limit the yield on investment or to use moneys held by the Trustee to the credit of the accounts and subaccounts created by this Trust Agreement in accordance with such certificate and instructions, irrespective of whether the Trustee shares such opinion.

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 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 shall direct the Trustee to hold and invest Bond Proceeds within its 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 Revenues with the Trustee for deposit to the Rebate Fund or otherwise make 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 certificate 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 certificate 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 certificate 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 written opinion of Bond Counsel to the effect that such action will not adversely affect the excludability from gross income of interest paid on the applicable Series of Tax-Exempt Bonds for federal income tax purposes.

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.

## **ARTICLE VI PARTICULAR COVENANTS**

### **Section 6.01. Payment of Bonds.**

#### **(a) General.**

The Authority covenants, that it will promptly pay the principal of and the interest on every Bond issued under the provisions of this Trust Agreement at the places, on the dates and in the manner provided herein and in the Bonds, and any premium required for the retirement of the Bonds by purchase or redemption according to the true intent and meaning thereof. Except as in this Trust Agreement otherwise provided, such principal, interest and premium are payable solely from Revenues and nothing in the Bonds or in this Trust Agreement shall be construed as obligating the State, the Department or the Authority to pay the Bonds or the interest thereon except from such Revenues or as pledging the faith and credit or taxing power of the State, the Department or the Authority.

#### **(b) Release of Revenues of General Account Projects.**

Notwithstanding the pledge and assignment made hereby, the Authority may by resolution or in a Supplemental Agreement pledge all or a portion of the revenues derived from the ownership or operation of one or more General Account Projects to secure Indebtedness issued on account of a General Account Project or for any other lawful purpose and in such event may, without the consent of the Trustee or any Bondholder, release from the lien of this Trust Agreement all or a portion of such revenues.

## **Section 6.02. Use and Operation of Transportation Facilities Projects.**

The Authority covenants that it will establish and enforce reasonable rules and regulations governing the use of the Transportation Facilities Projects and the operation thereof, that all conditions of employment and all compensation, salaries, fees and wages paid by it in connection with the maintenance, repair and operation of the Transportation Facilities Projects will be reasonable, that no more persons will be employed by it than are reasonably necessary, that it will take reasonable steps to assure that all persons employed by it will be qualified for their respective positions, that it will maintain and operate the Transportation Facilities Projects in an efficient and economical manner, that, from the Revenues, it will at all times maintain the same in good repair and in sound operating condition and make all necessary repairs, renewals and replacements and that it will observe and perform all of the terms and conditions contained in the Enabling Legislation.

## **Section 6.03. Payment of Lawful Charges.**

The Authority covenants that, except as otherwise permitted by this Trust Agreement, it will not create or suffer to be created any lien or charge upon the Transportation Facilities Projects or upon the Revenues except the lien and charge of the Bonds and Parity Indebtedness, and that, from the Revenues, it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within 60 days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects that, if unpaid, might by law become a lien upon the Transportation Facilities Projects or the Revenues; provided, however, that nothing in this Section contained shall require the Authority to pay or cause to be discharged, or make provision for any such lien or charge so long as the validity thereof shall be contested in good faith.

## **Section 6.04. Designation of Transportation Facilities Projects and General Accounts Projects.**

### **(a) General.**

The Authority covenants that it will not include as a Project in the Transportation Facilities Projects or General Account Projects any transportation facilities project unless the Authority can estimate at the time it determines to include such transportation facilities project as a Project in the Transportation Facilities Projects or General Account Projects that the revenues of such transportation facilities project in the fifth complete Bond Year following the completion of construction or the acquisition of such transportation facilities project and in each Bond Year thereafter will be not less than the Current Expenses and the deposits to the credit of the Maintenance and Operations Reserve Account for such transportation facilities project for each such Bond Year.

### **(b) Reclassification of General Account Projects.**

The Authority may at any time reclassify any Project initially designated a General Account Project as a Transportation Facilities Project provided that on the proposed

effective date of such reclassification, the Authority can estimate that the revenues of such General Account Project, (i) if five complete Bond Years following the completion of the construction or acquisition of such Project have not elapsed, in the fifth complete Bond Year following such completion or acquisition and in each Bond Year thereafter, will be not less than the Current Expenses and deposits to the Maintenance and Operations Reserve Account for such Project for each such Bond Year or (ii) if five complete Bond Years following the completion of the construction or acquisition of such Project have elapsed, in the current Bond Year and in each Bond Year thereafter will be not less than the Current Expenses and the deposits to the Maintenance and Operations Reserve Account for such Project for each such Bond Year, in which case such General Account Project may thereupon become a Transportation Facilities Project.

**(c) 1992 Projects; 2004 Projects.** The financing of the 1992 Projects and the 2004 Projects have heretofore been authorized and such 1992 Projects and 2004 Projects and designated as Transportation Facilities Projects within the meaning of this Trust Agreement.

**(d) 2007 Projects.** The financing and refinancing of the 2007 Projects are hereby authorized. The 2007 Projects shall constitute Transportation Facilities Projects within the meaning of this Trust Agreement.

#### **Section 6.05. Construction or Maintenance Permitted from Other Funds.**

Notwithstanding any other provision of this Trust Agreement, the Authority may permit the United States of America, the State or any of their agencies, departments or political subdivisions to pay all or any part of the cost of constructing, maintaining, repairing and operating Projects.

#### **Section 6.06. Insurance.**

##### **(a) General.**

The Authority covenants that it will maintain a practical insurance program, with such reasonable terms, conditions, provisions and costs that the Authority in its sole discretion determines will afford adequate insurance protection. The Authority shall provide insurance against loss caused by damage to or destruction of all or any part of any of the Transportation Facilities Projects; use and occupancy insurance covering loss of revenues; comprehensive public liability insurance for bodily injury and property damage and such other insurance as the Authority in its sole discretion may determine. All such insurance policies shall be carried in a responsible insurance company or companies authorized and qualified to assume the risks thereof; provided that the Authority may self-insure against public liability for bodily injury and property damage and other risks not enumerated herein in accordance with and as permitted by law.

All such policies shall be for the benefit of the Trustee and the Authority as their interests shall appear, shall be made payable to the Authority and shall remain with the

Authority. The Authority shall have the sole right to receive the proceeds of physical loss insurance and use and occupancy insurance.

**(b) Disposition of Insurance Proceeds.**

The Authority shall deposit the proceeds of physical loss insurance to the credit of the Capital Account or the Maintenance and Operations Reserve Account and the proceeds of use and occupancy insurance to the credit of the Operating Account immediately upon receipt. Once so deposited, such proceeds shall be used for the purposes permitted for moneys in such accounts.

**Section 6.07. Inspection of Insurance Policies.**

**(a) General.**

All insurance policies referred to in Section 6.06 shall be open at all reasonable times to inspection by the Trustee and the Bondholders and their agents and representatives. The Authority covenants that it will take reasonable action to demand, collect and sue for any insurance money that may become due and payable under any policy payable to the Authority or the Trustee. The Trustee is hereby authorized in its own name to demand, collect, sue and receipt for any insurance money that may have become due and payable under any policies payable to it.

**(b) Settlement of Insurance Claims.**

Any appraisement or adjustment of any loss or damage under any policy payable to the Authority or the Trustee and any settlement or payment of indemnity under any such policy that may be agreed upon by the Authority, the Trustee and any insurer shall be evidenced by a certificate, signed by an Authority Representative and by the Trustee and filed with the Secretary and the Trustee. The Trustee shall in no way be liable or responsible for the collection of insurance moneys in case of any loss or damage.

**Section 6.08. No Inconsistent Action.**

The Authority covenants that none of the Revenues will be used for any purpose that is inconsistent with the provisions of this Trust Agreement.

**Section 6.09. Further Instruments and Action.**

The Authority covenants that it will, from time to time, execute and deliver such further instruments and take such further action as maybe required to carry out the purposes of this Trust Agreement.

## **Section 6.10. Accurate Records; Reports; Audits.**

### **(a) General.**

The Authority covenants that it will keep the accounts and subaccounts of the Transportation Facilities Projects Fund separate from all other funds and accounts, if any, of the Authority and that it will keep an accurate record of the total cost of each of the Transportation Facilities Projects, of the revenues collected from each of the Transportation Facilities Projects and of the application of such revenues. Such records shall be open at all reasonable times upon reasonable request to the inspection by the Trustee and the Bondholders and their agents and representatives. The cost of the reports and audits required by this Section shall be treated as a part of the cost of operation of the Transportation Facilities Projects.

### **(b) Annual Audits.**

The Authority further covenants that promptly after the close of each fiscal year it will cause an audit to be made of its books and accounts relating to the Transportation Facilities Projects for the preceding fiscal year by an independent firm of certified public accountants of recognized ability and standing, to be chosen by the Authority. The Trustee shall make available to such accountants all its books and records pertaining to the Transportation Facilities Projects. Within 180 days after the close of each such fiscal year a report of such audit shall be filed with the Authority, the Bond Registrar and the Trustee, and copies of such reports shall be available upon request for review by all Bondholders. Each such audit report shall be prepared in accordance with generally accepted accounting principles.

### **(c) Additional Reports or Audits.**

The Authority further covenants that it will cause any additional reports or audits relating to the Transportation Facilities Projects to be made as required by law and that, as often as may be requested, it will furnish to the Trustee and make available upon request for review to the owner of any Bond issued hereunder.

## **Section 6.11. Accounts and Records.**

The Authority covenants that all the accounts and records of the Authority will be kept according to recognized accounting practices consistent with the provisions of this Trust Agreement.

## **Section 6.12. Covenant Against Sale or Encumbrance; Exceptions.**

### **(a) General.**

The Authority covenants that, except as in this Section otherwise permitted, it will not sell or otherwise dispose of or encumber any Transportation Facilities Project or any part thereof. The Authority may, however, from time to time, sell any machinery, fixtures,

apparatus, tools, instruments or other movable property acquired by it which any two of the officers or employees of the Authority who shall be designated by the Authority for such purpose shall determine to sell, and the proceeds thereof shall be deposited to the credit of the Capital Account or the Maintenance and Operations Reserve Account, as such officers or employees may determine. The Authority may from time to time sell or otherwise dispose of or encumber any real estate or interest therein that shall comprise a portion of any Transportation Facilities Projects and that is owned by it in the name of the State of Maryland as the Authority shall determine. The proceeds of any sale or other disposition of real estate shall be deposited to the credit of the Capital Account or the Maintenance and Operations Reserve Account as determined by the Authority.

Upon any disposition of property under the provisions of this Section, the Authority shall notify the Trustee of the property so sold and the amount and disposition of the proceeds thereof.

**(b) Leases and Concessions.**

The Authority may lease, or grant easements, franchises or concessions for the use of, any part of the Transportation Facilities Projects, and the net proceeds of any such lease or concession shall be deposited as earned to the credit of the Operating Account.

**Section 6.13. Limitations on Parity Indebtedness.**

(a) The Authority may incur and refund Parity Indebtedness, provided that (i) the documents providing for such Parity Indebtedness shall specify (A) the amounts and due dates of the Debt Service Requirements of such Parity Indebtedness and the principal and interest components of such Debt Service Requirements and (B) the amount, if any, to be deposited to the credit of the Reserve Subaccount for such Parity Indebtedness and (ii) the Trustee shall determine that all the requirements of Section 2.04 shall have been met the same as if such Parity Indebtedness were an additional Series of Bonds to be issued under the provisions of Section 2.04.

(b) Without limiting the generality of the foregoing, in connection with the issuance of any Indebtedness or at any time thereafter so long as any Indebtedness remains Outstanding, the Authority may, to the extent permitted by law, from time to time enter into Qualified Swaps. The Authority's obligation to pay any amount under any Qualified Swap may be equally and ratably secured by and shall be entitled to the same benefit and security of this Trust Agreement as any outstanding Bonds and Parity Indebtedness theretofore and thereafter issued under this Trust Agreement (a "Parity Swap Obligation"), or may constitute a Junior Obligation, as determined by the Authority, provided that any amount payable upon any termination of a Qualified Swap or other fees, expenses, indemnification or other obligations to a counterparty to a Qualified Swap shall be payable solely from the General Account and shall not constitute Parity Indebtedness. For the purposes of this Trust Agreement, the outstanding principal amount of any Qualified Swap as of any date shall be deemed to be the amount, if any, due under such Qualified Swap as of such date.

(c) The Authority may provide for the creation of separate subaccounts of the Debt Retirement Account and other accounts and subaccounts for any Parity Indebtedness, as shall be deemed advisable by the Authority, in which event the accounts and subaccounts created for any Parity Indebtedness shall secure only such Parity Indebtedness and shall not be available to pay any Bonds or any other Parity Indebtedness.

(d) The Authority covenants that it will faithfully fulfill all lawful requirements of all contracts or agreements creating such Parity Indebtedness and that it will take reasonable action to require all other parties thereto to fulfill their lawful obligations thereunder.

#### **Section 6.14. Covenants as to Rates, Etc.**

The Authority covenants, subject to any lawful regulation by the United States of America, that it will fix, revise, charge and collect rentals, rates, fees, tolls and other charges and revenues for the use or services of the Transportation Facilities Projects in order to produce Net Revenues in each Bond Year in an amount not less than the sum of (a) one hundred twenty percent (120%) of the amount of the Debt Service Requirements for such Bond Year on account of the Bonds of all Series and any Parity Indebtedness then outstanding and (b) 100% of the amount set forth in the Annual Budget to be deposited to the credit of the Maintenance and Operations Reserve Account.

If the amount of the Net Revenues in any Bond Year shall be less than the amount referred to above for such Bond Year, then the Trustee may, and, upon the written request of the owners of not less than a majority of the Bonds and Parity Obligations and upon being indemnified to its satisfaction, the Trustee shall without regard to whether an Event of Default shall have occurred, institute and prosecute in a court of competent jurisdiction an appropriate action to compel the Authority to revise its rentals, rates, fees, tolls and other charges and revenues in order to produce the amount referred to above. The Authority covenants that it will adopt and charge rentals, rates, fees, tolls and other charges and revenues in compliance with any final order, decree or judgment entered in any such proceeding, or any modification thereof.

Notwithstanding any of the foregoing provisions of this Section, contracts and leases entered into by the Authority with any person shall not be subject to revision except in accordance with their terms.

#### **Section 6.15. Uniformity of Tolls.**

##### **(a) General.**

The Authority covenants that tolls for traffic using any highway projects in the Transportation Facilities Projects will be classified in a reasonable way to cover all traffic, so that the tolls may be uniform in application to all traffic falling within any reasonable class regardless of the status or character of any person, firm or corporation participating in the traffic, and that no reduced rate of toll will be allowed within any such class except that,

subject to the provisions of Section 6.14, provision may be made for the use of commutation or other tickets or privileges based on frequency, volume, or traffic conditions. Nothing herein shall require the tolls for different Transportation Facilities Projects to be the same.

The Authority may at any time and from time to time impose on one or more of the Transportation Facilities Projects different toll rates to be applicable depending upon whether a toll is paid in person, by means of an electronic toll collection system or by other means determined by the Authority and may impose tolls that vary at different times of the day, on different days of the week or during different periods of the year. The Authority may at any time and from time to time convert the methods collection of tolls with respect to Transportation Facilities Projects based upon traffic conditions, volume or other matters deemed appropriate by the Authority.

Nothing herein shall be deemed to prevent the Authority from charging for passage on Transportation Facilities Projects to customers who have established credit acceptable to the Authority.

**(b) Free Passage.**

The Authority further covenants that no free vehicular passage will be permitted on the highway projects in the Transportation Facilities Projects except to vehicles of officials and employees of the executive, legislative and judicial departments of the State while they are in the discharge of their official duties, vehicles of members, officers and employees of the Authority while they are in the discharge of their official duties, vehicles of any fire or police department of the State or any political subdivision thereof while operated in the discharge of official duties, ambulances owned or operated by a non-profit organization while operated in the discharge of their duties and vehicles owned or operated by agents and independent contractors of the Authority and by lessees of the Authority and their agents and independent contractors that are used in connection with the maintenance or operation of the highway projects in the Transportation Facilities Projects, and except on any such portions of any of the highway projects in the Transportation Facilities Projects as may be determined by the Authority. Notwithstanding the foregoing, the Authority may impose tolls only for traffic proceeding in one direction on any Transportation Facilities Projects.

**(c) Northeastern Expressway.**

Notwithstanding the foregoing provisions of this Section, the Authority may elect not to impose tolls on the ramps now existing or hereafter constructed on the Northeastern Expressway.

**(d) One-Way Toll Collection.**

Notwithstanding the foregoing provisions of this Section, the Authority may fix, revise, charge and collect tolls in one direction only on the Northeastern Expressway, the Potomac River Bridge, the Chesapeake Bay Bridge and on any Transportation Facilities Projects certified as such pursuant to Section 6.04 hereof.

## **Section 6.16. Inspection of Transportation Facilities Projects.**

The Authority covenants that it will cause independent engineers or engineering firms or corporations having a nationwide and favorable reputation for skill and experience in such work to make an inspection of the Transportation Facilities Projects periodically in accordance with industry standards (but at least annually), to submit to the Authority a report or reports setting forth their findings as to whether the Transportation Facilities Projects have been maintained in good repair, working order and condition.

Promptly after the receipt of such reports by the Authority, copies thereof shall be filed with the Trustee and made available upon request for review to the owner of any Bond issued hereunder.

## **Section 6.17. Annual Budget.**

### **(a) Annual Budget.**

The Authority further covenants that on or before the 1st day of July in each year it will adopt the budget of Current Expenses and of monthly deposits to the credit of the Maintenance and Operations Reserve Account for the ensuing fiscal year (herein sometimes called the "Annual Budget"). On or before the 10th day of July in each year, copies of the Annual Budget shall be made available for inspection by all Bondholders upon request.

### **(b) Failure to Adopt Annual Budget.**

If for any reason the Authority shall not have adopted the Annual Budget before the first day of any fiscal year, to the extent permitted by law, the budget for the preceding fiscal year shall, until the adoption of the Annual Budget, be deemed to be in force and shall be treated as the Annual Budget under the provisions of this Article.

### **(c) Amended or Supplemental Annual Budget.**

The Authority may at any time adopt an amended or supplemental Annual Budget for the remainder of the then-current fiscal year. Copies of any such amended or supplemental Annual Budget shall be made available for inspection by all Bondholders upon request.

### **(d) Covenant as to Current Expenses.**

The Authority further covenants that the Current Expenses incurred in any fiscal year will not exceed the reasonable and necessary amount thereof and that it will not expend any amount or incur any obligations for maintenance, repair and operation of the Transportation Facilities Projects in excess of the amounts provided for Current Expenses in the Annual Budget, except amounts that may be paid from the Maintenance and Operations Reserve Account. Nothing in this Section contained shall limit the amount the Authority may expend for Current Expenses in any fiscal year provided any amounts expended therefor in excess of the amounts provided for Current Expenses in the Annual Budget shall be received

by the Authority from some source other than the revenues of the Transportation Facilities Projects, however the Authority may use revenues of the Transportation Facilities Projects provided such revenues are reimbursed by June 30 of any year.

## **ARTICLE VII** **BOND INSURANCE POLICY; RESERVE POLICY**

### **Section 7.01. 1992 Bond Insurance Policy.**

#### **(a) Claims Upon the 1992 Bond Insurance Policy and Payment by and to the Authority.**

(1) If, on the day preceding any payment date for the insured Capital Appreciation bonds, there are not on deposit with the Trustee sufficient moneys available to pay the principal of and compounded interest on the Capital Appreciations Bonds due on such date (the “**Accreted Amounts**”), the Trustee shall immediately notify the 1992 Bond Insurer and its designated fiscal agent (if any (the “1992 Insurer Fiscal Agent”) of the amount of such deficiency. If, by such payment date, the Authority has not provided the amount of such deficiency, the Trustee shall simultaneously make available to the 1992 Bond Insurer and the 1992 Insurer Fiscal Agent the registration books for the insured Capital Appreciation Bonds maintained by the Trustee.

(2) In addition, (i) the Trustee shall provide the 1992 Bond Insurer with a list of the bondholders entitled to receive payments of Accreted Amounts from the 1992 Bond Insurer under the terms of the 1992 Bond Insurance Policy and shall make arrangements for the 1992 Bond Insurer and the 1992 Insurer Fiscal Agent to pay the Accreted Amounts of the insured Capital Appreciation Bonds surrendered to the 1992 Insurer Fiscal Agent by the bondholders entitled to receive payments of such Accreted Amounts from the 1992 Bond Insurer; and (ii) the Trustee shall, at the time it makes the registration books available to the 1992 Bond Insurer pursuant to clause (i) above, notify bondholders entitled to receive the payment of Accreted Amounts of the insured Capital Appreciation Bonds from the 1992 Bond Insurer (A) as to the fact of such entitlement, and (B) that, except as provided in paragraph (3) below, in the event that any bondholder is entitled to receive payment of such Accreted Amounts from the 1992 Bond Insurer, such bondholder must tender its insured Capital Appreciation Bond with the instrument of transfer in the provided in such insured Capital Appreciation bond executed in the name of the 1992 Bond Insurer.

(3) In the event that the Trustee has notice that any payment of the Accreted Amount of any insured Capital Appreciation Bond has been recovered from a bondholder pursuant to the United States Bankruptcy Code by the trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall, at the time it provides notice to the 1992 Bond Insurer, notify all holders of insured Capital Appreciation Bonds that in the event that any bondholder’s payment is so recovered, such bondholder will be entitled to payment from the 1992 Bond Insurer to the

extent of such recovery, and the Trustee shall furnish to the 1992 Bond Insurer its records evidencing the payments of the Accreted Amount of the insured Capital Appreciation Bonds which have been made by the Trustee and subsequently recovered from bondholders, and the dates on which such payments were made.

(4) The 1992 Bond Insurer shall, to the extent it makes payments of Accreted Amounts of the insured Capital Appreciation Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the 1992 Bond Insurance Policy and, to evidence such subrogation, the Trustee shall note the 1992 Bond Insurer's rights as subrogee on the registration books for the insured Capital Appreciation Bonds maintained by the Trustee upon receipt of proof of payment of the Accreted Amounts thereof to the holders of such insured Capital Appreciation Bonds. Notwithstanding anything herein, in the insured Capital Appreciation Bonds or in this Trust Agreement to the contrary, the Trustee shall make payment of such past due Accreted Amounts directly to the 1992 Bond Insurer to the extent that the 1992 Bond Insurer is a subrogee with respect thereto.

**(b) Reporting Requirements**

For so long as the 1992 Bond Insurer shall not have failed to honor a demand for payment under the Series 1992 Bond Insurance Policy, the Authority shall deliver to the 1992 Bond Insurer the following:

(i) Within one hundred eighty (180) days after the end of the Authority's fiscal year, the Authority's budget for the new fiscal year, annual audited financial statements for the fiscal year just ended, and, if not presented in such audited financial statements, a statement of the net revenue pledged to the payment of bonds in the fiscal year just ended.

(ii) The official statement or other disclosure documents, if any, prepared in connection with the issuance of additional debt under this Trust Agreement, whether or not such debt is issued on a parity with the Series 1992 Bonds, within thirty (30) days after the sale thereof.

(iii) Notice of any draw upon or deficiency due to market fluctuation in the amount, if any, on deposit in the 1992 Reserve Subaccount; provided, however, that neither the Authority nor the Trustee shall have any obligation to determine the amount on deposit in the 1992 Reserve Subaccount except as set forth in Section 5.03 of this Trust Agreement.

(iv) Notice of the redemption (other than mandatory sinking fund redemption) of the Series 1992 Bonds, which notice shall include the principal amount, maturities and CUSIP numbers so redeemed.

(v) Simultaneously with the delivery of the audited financial statements referred to in paragraph (i) above, the following information with respect

to the fiscal year just ended: (A) the number of vehicles to have passed through the Authority's toll facilities, allocated between commercial vehicles and passenger vehicles; (B) toll rates currently in effect for all vehicles; and (C) any planned expansions or improvement projects, or projects in progress.

(vi) Such additional information as the 1992 Bond Insurer may reasonably request from time to time.

**(c) 1992 Bond Insurer Consent to Amendment.**

Notwithstanding any provision to the contrary contained herein, the 1992 Bond Insurer shall have the right to consent to any amendment to this Trust Agreement pursuant to the provisions of Section 11.01(a)(ix).

**Section 7.02. 2004 Bond Insurance Policy.**

**(a) Claims Upon the 2004 Bond Insurance Policy and Payment by and to the Authority.**

(1) If, on the third Business Day prior to the Interest Payment Date there is not on deposit with the Trustee, after making all transfers and deposits required herein, moneys sufficient to pay the principal of and interest on the Series 2004 Bonds due on such Interest Payment Date, the Trustee shall give notice to the 2004 Bond Insurer and to its designated agent (if any) (the "2004 Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the Interest Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2004 Bonds due on such Interest Payment Date, the Trustee shall make a claim under the 2004 Bond Insurance Policy and give notice to the 2004 Bond Insurer and the 2004 Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2004 Bonds and the amount required to pay the principal of the Series 2004 Bonds, confirmed in writing to the 2004 Bond Insurer and the 2004 Fiscal Agent by 12:00 noon, New York City time, on such second Business Day.

(2) In the event the claim to be made is for a mandatory sinking fund redemption installment, upon receipt of the moneys due, the Trustee shall authenticate and deliver to affected Bondholders who surrender their Series 2004 Bonds a new bond or bonds in an aggregate principal amount equal to the unredeemed portion of the Series 2004 Bond surrendered. The Trustee shall designate any portion of payment of principal on Series 2004 Bonds paid by the 2004 Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2004 Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2004 Bond to the 2004 Bond Insurer, registered in the name of the 2004 Bond Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement

Series 2004 Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Series 2004 Bond or the subrogation rights of the 2004 Bond Insurer.

(3) The Trustee shall keep a complete and accurate record of all funds deposited by the 2004 Bond Insurer into the 2004 Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal paid in respect of any Series 2004 Bond. The 2004 Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(4) Upon payment of a claim under the 2004 Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "2004 Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the 2004 Bond Insurance Policy in trust on behalf of Series 2004 Bondholders and shall deposit any such amount in the 2004 Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to the Series 2004 Bondholders in the same manner as principal and interest payments are to be made with respect to the Series 2004 Bonds under the sections hereof regarding payment of Series 2004 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything to the contrary otherwise set forth herein, and to the extent permitted by law, in the event amounts paid under the 2004 Bond Insurance Policy are applied to claims for payment of principal of or interest on the Series 2004 Bonds, interest on such principal of and interest on such Series 2004 Bonds shall accrue and be payable from the date of such payment at the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank or its successor at its principal office in the City of New York, as its prime or base lending rate plus 3%, and (ii) the then applicable rate of interest on the Series 2004 Bonds provided that in no event shall rate exceed the maximum rate permissible under applicable usury or similar laws limiting interest rates.

(5) Funds held in the 2004 Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the 2004 Policy Payments Account following a payment date on the Series 2004 Bonds shall promptly be remitted to the 2004 Bond Insurer.

(6) The 2004 Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Series 2004 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the 2004 Bond Insurance Policy. The obligations to the 2004 Bond Insurer shall survive discharge or termination of this Trust Agreement.

(7) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to payment of expenses of the Authority or

rebate only after the payment of debt service due and past due on the Series 2004 Bonds, together with replenishment of the Reserve Subaccount.

(8) The 2004 Bond Insurer shall be entitled to pay principal or interest on the Series 2004 Bonds that shall become due for payment but shall be unpaid by reason of nonpayment by the Authority and any amounts due on the Series 2004 Bonds as a result of acceleration of the maturity as provided herein, whether or not the 2004 Bond Insurer has received a notice of nonpayment or a claim upon the 2004 Bond Insurance Policy.

**(b) Reporting Requirements**

For so long as the 2004 Bond Insurer shall not have failed to honor a demand for payment under the Series 2004 Bond Insurance Policy, the Authority shall deliver to the 2004 Bond Insurer the following:

(i) Within one hundred eighty (180) days after the end of the Authority's fiscal year, the Authority's budget for the new fiscal year, annual audited financial statements for the fiscal year just ended, and, if not presented in such audited financial statements, a statement of the net revenue pledged to the payment of bonds in the fiscal year just ended.

(ii) Notice of any draw upon the Reserve Subaccount within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of Bonds.

(iii) Notice of any default known to the Trustee or the Authority within five Business Days after knowledge thereof.

(iv) Notice of the advanced refunding or redemption of the Series 2004 Bonds, which notice shall include the principal amount, maturities and CUSIP numbers so redeemed.

(v) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto.

**(c) 2004 Bond Insurer Consent to Amendment.**

Notwithstanding any provision to the contrary contained herein, the 2004 Bond Insurer shall have the right to consent to any amendment to this Trust Agreement pursuant to the provisions of Section 11.01(a)(ix).

**Section 7.03. 2004 Reserve Policy.**

The Authority shall repay any draws under the 2004 Reserve Policy and pay all related reasonable expenses incurred by the 2004 Reserve Policy Insurer. Interest shall accrue and be payable on such draws and expenses from the date of payment by the 2004

Reserve Policy Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Series 2004 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the 2004 Reserve Policy Insurer shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate ("Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 2004 Reserve Policy Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to 2004 Reserve Policy Insurer on account of principal due, the coverage under the 2004 Reserve Policy will be increased by a like amount, subject to the terms of the 2004 Reserve Policy.

If the Authority shall fail to pay any Policy Costs in accordance with the requirements of this Section, 2004 Reserve Policy Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided herein other than (i) acceleration of the maturity of the Series 2004 Bonds or (ii) remedies which would adversely affect owners of the Series 2004 Bonds.

This Trust Agreement shall not be discharged until all Policy Costs owing to the 2004 Reserve Policy Insurer shall have been paid in full. The Authority's obligation to pay such amounts shall expressly survive payment in full of the Series 2004 Bonds.

The additional bonds test and the rate covenant herein shall expressly provide for at least one times coverage of the Policy Costs then due and owing.

The Trustee shall ascertain the necessity for a claim upon the 2004 Reserve Policy and to provide notice to 2004 Reserve Policy Insurer in accordance with the terms of the 2004 Reserve Policy at least five Business Days prior to each date upon which interest or principal is due on the Series 2004 Bonds. Where deposits are required to be made by the Authority with the Trustee to the debt service fund for the Series 2004 Bonds more often than semi-annually, the Trustee shall be instructed to give notice to 2004 Reserve Policy Insurer of any failure of the 2004 Reserve Policy Insurer to make timely payment in full of such deposits within two Business Days of the date due.

## **Section 7.04. 2007 Bond Insurance Policy.**

### **(a) Claims Upon the 2007 Bond Insurance Policy and Payment by and to the Authority.**

(1) If, on the third Business Day prior to the Interest Payment Date there is not on deposit with the Trustee, after making all transfers and deposits required herein, moneys sufficient to pay the principal of and interest on the Series 2007 Bonds due on such Interest Payment Date, the Trustee shall give notice to the 2007 Bond Insurer and to its designated agent (if any) (the "2007 Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the Interest Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2007 Bonds due on such Interest Payment Date, the Trustee shall make a claim under the 2007 Bond Insurance Policy and give notice to the 2007 Bond Insurer and the 2007 Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2007 Bonds and the amount required to pay the principal of the Series 2007 Bonds, confirmed in writing to the 2007 Bond Insurer and the 2007 Fiscal Agent by 12:00 noon, New York City time, on such second Business Day.

(2) In the event the claim to be made is for a mandatory sinking fund redemption installment, upon receipt of the moneys due, the Trustee shall authenticate and deliver to affected Bondholders who surrender their Series 2007 Bonds a new bond or bonds in an aggregate principal amount equal to the unredeemed portion of the Series 2007 Bond surrendered. The Trustee shall designate any portion of payment of principal on Series 2007 Bonds paid by the 2007 Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2007 Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2007 Bond to the 2007 Bond Insurer, registered in the name of the 2007 Bond Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Series 2007 Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Series 2007 Bond or the subrogation rights of the 2007 Bond Insurer.

(3) The Trustee shall keep a complete and accurate record of all funds deposited by the 2007 Bond Insurer into the 2007 Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal paid in respect of any Series 2007 Bond. The 2007 Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(4) Upon payment of a claim under the 2007 Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "2007 Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the 2007 Bond Insurance Policy in trust on behalf of Series 2007

Bondholders and shall deposit any such amount in the 2007 Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to the Series 2007 Bondholders in the same manner as principal and interest payments are to be made with respect to the Series 2007 Bonds under the sections hereof regarding payment of Series 2007 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything to the contrary otherwise set forth herein, and to the extent permitted by law, in the event amounts paid under the 2007 Bond Insurance Policy are applied to claims for payment of principal of or interest on the Series 2007 Bonds, interest on such principal of and interest on such Series 2007 Bonds shall accrue and be payable from the date of such payment at the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank or its successor at its principal office in the City of New York, as its prime or base lending rate plus 3%, and (ii) the then applicable rate of interest on the Series 2007 Bonds provided that in no event shall rate exceed the maximum rate permissible under applicable usury or similar laws limiting interest rates.

(5) Funds held in the 2007 Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the 2007 Policy Payments Account following a payment date on the Series 2007 Bonds shall promptly be remitted to the 2007 Bond Insurer.

(6) The 2007 Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Series 2007 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the 2007 Bond Insurance Policy. The obligations to the 2007 Bond Insurer shall survive discharge or termination of this Trust Agreement.

(7) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to payment of expenses of the Authority or rebate only after the payment of debt service due and past due on the Series 2007 Bonds, together with replenishment of the Reserve Subaccount.

(8) The 2007 Bond Insurer shall be entitled to pay principal or interest on the Series 2007 Bonds that shall become due for payment but shall be unpaid by reason of nonpayment by the Authority and any amounts due on the Series 2007 Bonds as a result of acceleration of the maturity as provided herein, whether or not the 2007 Bond Insurer has received a notice of nonpayment or a claim upon the 2007 Bond Insurance Policy.

## **(b) Reporting Requirements**

For so long as the 2007 Bond Insurer shall not have failed to honor a demand for payment under the Series 2007 Bond Insurance Policy, the Authority shall deliver to the 2007 Bond Insurer the following:

(i) Within one hundred eighty (180) days after the end of the Authority's fiscal year, the Authority's budget for the new fiscal year, annual audited financial statements for the fiscal year just ended, and, if not presented in such audited financial statements, a statement of the net revenue pledged to the payment of bonds in the fiscal year just ended.

(ii) Notice of any draw upon the Reserve Subaccount within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of Bonds.

(iii) Notice of any default known to the Trustee or the Authority within five Business Days after knowledge thereof.

(iv) Notice of the advanced refunding or redemption of the Series 2007 Bonds, which notice shall include the principal amount, maturities and CUSIP numbers so redeemed.

(v) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto.

**(c) 2007 Bond Insurer Consent to Amendment.**

Notwithstanding any provision to the contrary contained herein, the 2007 Bond Insurer shall have the right to consent to any amendment to this Trust Agreement pursuant to the provisions of Section 11.01(a)(ix).

**Section 7.05. 2007 Reserve Policy.**

The Authority shall repay any draws under the 2007 Reserve Policy and pay all related reasonable expenses incurred by the 2007 Reserve Policy Insurer. Interest shall accrue and be payable on such draws and expenses from the date of payment by the 2007 Reserve Policy Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Series 2007 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the 2007 Reserve Policy Insurer shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate ("2007 Policy Costs") shall commence in the first month following each

draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of 2007 Policy Costs related to such draw.

Amounts in respect of 2007 Policy Costs paid to the 2007 Reserve Policy Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to 2007 Reserve Policy Insurer on account of principal due, the coverage under the 2007 Reserve Policy will be increased by a like amount, subject to the terms of the 2007 Reserve Policy.

If the Authority shall fail to pay any 2007 Policy Costs in accordance with the requirements of this Section, 2007 Reserve Policy Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided herein other than (i) acceleration of the maturity of the Series 2007 Bonds or (ii) remedies which would adversely affect owners of the Series 2007 Bonds.

This Trust Agreement shall not be discharged until all 2007 Policy Costs owing to the 2007 Reserve Policy Insurer shall have been paid in full. The Authority's obligation to pay such amounts shall expressly survive payment in full of the Series 2007 Bonds.

The additional bonds test and the rate covenant herein shall expressly provide for at least one times coverage of the 2007 Policy Costs then due and owing.

The Trustee shall ascertain the necessity for a claim upon the 2007 Reserve Policy and to provide notice to 2007 Reserve Policy Insurer in accordance with the terms of the 2007 Reserve Policy at least five Business Days prior to each date upon which interest or principal is due on the Series 2007 Bonds. Where deposits are required to be made by the Authority with the Trustee to the debt service fund for the Series 2007 Bonds more often than semi-annually, the Trustee shall be instructed to give notice to 2007 Reserve Policy Insurer of any failure of the 2007 Reserve Policy Insurer to make timely payment in full of such deposits within two Business Days of the date due.

## **ARTICLE VIII CONCERNING THE TRUSTEE**

### **Section 8.01. Acceptance of Trusts.**

The Trustee accepts and agrees to execute the trusts imposed upon it by this Trust Agreement, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Trust Agreement, to all of which the parties hereto and the respective owners of the Bonds and Parity Indebtedness agree.

### **Section 8.02. Indemnification of Trustee.**

The Trustee shall be under no obligation to institute any suit, or to take any remedial 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, outlays and counsel fees and other reasonable disbursements, and against all liability. The Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in such case the Authority shall reimburse the Trustee from the Revenues for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Authority shall fail to make such reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Trust Agreement and shall be entitled to a preference therefor over any of the Bonds and Parity Indebtedness outstanding hereunder.

#### **Section 8.03. Limitation on Responsibilities of Trustee.**

The Trustee shall be under no obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance maintained by the Authority, or to report, or make or file claims or proof of loss for, any loss or damage insured against or which may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. The Trustee shall have no responsibility in respect of the validity, sufficiency, due execution or acknowledgment of this Trust Agreement, or, except as to the authentication thereof, in respect of the validity of the Bonds or the due execution or issuance thereof. The Trustee shall be under no obligation to see that any duties herein imposed upon the Authority, the Paying Agents, any Depository, the Bond Registrar or any party other than itself, or any covenants herein contained on the part of any party other than itself to be performed, shall be done or performed, and the Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed.

#### **Section 8.04. Trustee Not Liable for Failure of Authority to Act.**

The Trustee shall not be liable or responsible because of the failure of the Authority or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Authority or because of the loss of any moneys arising through the insolvency or the act or default or omission of any Depository in which such moneys shall have been deposited under the provisions of this Trust Agreement. The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Trust Agreement. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

#### **Section 8.05. Compensation of Trustee.**

Subject to the provisions of any applicable contract relating to compensation between the Authority and the Trustee, the Authority shall, from the Revenues pay to the Trustee reasonable compensation for all services performed by it hereunder and also all its

reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and execution of the trusts hereby created and the performance of its powers and duties hereunder, and, from such Revenues only, shall indemnify and save the Trustee harmless against any liabilities that it may incur in the exercise and performance of its powers and duties hereunder, except for liabilities arising out of the negligence or willful misconduct of the Trustee. If the Authority shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession under the provisions of this Trust Agreement and shall be entitled to a preference therefor over any of the Bonds or Parity Indebtedness outstanding hereunder.

### **Section 8.06. Periodic Statements.**

It shall be the duty of the Trustee, semi-annually on each January 1 and July 1, or if requested by the Authority, monthly on or before the Deposit Day of each month, to file with the Authority a statement setting forth in respect of the preceding calendar period:

- (a) the amount withdrawn or transferred by it and the amount deposited with it on account of each account and subaccount held by it under the provisions of this Trust Agreement;
- (b) the amount on deposit with it at the end of such period to the credit of each such account and subaccount;
- (c) the amount applied to the purchase or redemption of Bonds and Parity Indebtedness under the provisions of Section 4.07 and a description of the Bonds and Parity Indebtedness or portions thereof so purchased or redeemed; and
- (d) any other information that the Authority may reasonably request.

Upon request of the Authority, the Trustee shall file with the Authority a brief description of all obligations held by it as an investment of moneys in each such account and subaccount.

All records and files pertaining to the Transportation Facilities Projects in the custody of the Trustee shall be open at all reasonable times to the inspection of the Authority and its agents and representatives.

### **Section 8.07. Trustee May Rely on Certificates.**

In case at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as such Trustee, and in any case in which this Trust Agreement provides for permitting or taking any action, the Trustee may rely conclusively upon any certificate, requisition, opinion or other instrument required or permitted to be filed with it under the provisions of this Trust Agreement, and any such instrument shall be conclusive evidence of such fact to protect the Trustee in any action that it may or may not take or in respect of

anything it may or may not do, in good faith, by reason of the supposed existence of such fact. Except as otherwise provided in this Trust Agreement, any request, notice, certificate or other instrument from the Authority to the Trustee shall be deemed to have been signed by the proper party or parties if signed by an Authority Representative, and the Trustee may accept and rely upon a certificate signed by the Secretary as to any action taken by the Authority.

#### **Section 8.08. Notice of Default.**

Except upon the happening of any Event of Default specified in clauses (a) and (b) of Section 10.01, the Trustee shall not be obliged to take notice or be deemed to have notice of any Event or Default hereunder, unless specifically notified in writing of such Event of Default by the owners of not less than ten percent of the Bonds and Parity Indebtedness.

Notwithstanding any provision of this Trust Agreement to the contrary, for purposes of this Section, the 1992 Bond Insurer shall be deemed to be the sole holder of all of the Series 1992 Bonds which are insured Capital Appreciation Bonds, and the 2004 Bond Insurer shall be deemed to be the sole holder of all the Series 2004 Bonds.

Notwithstanding any provision of this Trust Agreement to the contrary, for purposes of this Section, the Trustee shall give the 2004 Bond Insurer notice of the occurrence of any event of default known to the Trustee within thirty (30) days of the Trustee's knowledge thereof.

#### **Section 8.09. Trustee May Deal in Bonds.**

The bank or trust company acting as Trustee under this Trust Agreement, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds or Parity Indebtedness and may join in any action that any Bondholder or owner of Parity Indebtedness may be entitled to take with like effect as if such bank or trust company were not the Trustee or a Depositary under this Trust Agreement.

#### **Section 8.10. Trustee Not Responsible for Recitals.**

The recitals, statements and representations contained herein and in the Bonds shall be taken and construed as made by and on the part of the Authority and not by the Trustee, and the Trustee assumes and shall be under no responsibility for the correctness of the same.

#### **Section 8.11. Reliance on Certain Documents.**

The Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Trust Agreement, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which 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 attorney, engineer 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 as to any statements contained or matters referred to in any such instrument. 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.

#### **Section 8.12. Resignation of Trustee.**

The Trustee may resign and thereby become discharged from the trusts hereby created, by notice in writing given to the Authority and the owners of outstanding Bonds and Parity Indebtedness, not less than 60 days before such resignation is to take effect, and such resignation shall take effect upon the appointment of a successor Trustee hereunder and the acceptance by such successor Trustee of the trusts hereof. The 1992 Bond Insurer shall be furnished with written notice of the resignation of the Trustee and the appointment of any successor thereto.

#### **Section 8.13. Removal of Trustee.**

The Trustee may be removed at any time (a) so long as no Event of Default shall have occurred and be continuing, by the Authority, and (b) in any other case, by an instrument or concurrent instruments in writing executed by the owners of not less than a majority of the Bonds and Parity Indebtedness and filed with the Authority. A facsimile copy of each such instrument shall be delivered promptly by the Authority to the Trustee. 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 the owners of not less than a majority of the Bonds and Parity Indebtedness. Notwithstanding any provision of this Trust Agreement to the contrary, no removal of the Trustee shall be effective until a successor has been appointed and has accepted the duties of Trustee. The 1992 Bond Insurer and the 2004 Bond Insurer shall be furnished with written notice of the removal of the Trustee and the appointment of any successor thereto.

#### **Section 8.14. Appointment of Successor Trustee.**

If at any time the Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting, or the bank or trust company acting as Trustee shall be taken over by any governmental official, agency, department or board, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, the Authority shall appoint a Trustee to fill such vacancy. The Authority shall cause notice of any such appointment to be mailed to all owners of Bonds and Parity Indebtedness.

If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within ten days after the vacancy shall have occurred, the owner of any outstanding Bond or Parity Indebtedness or any retiring Trustee may apply to any court

of competent jurisdiction within the State to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any successor Trustee shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having a combined capital, surplus and undivided profits aggregating not less than \$100,000,000.

### **Section 8.15. Successor Trustee.**

Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Authority, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities, powers and trusts and subject to all the duties and obligations, of its predecessor; but such predecessor shall, nevertheless, on the written request of its successor or of the Authority, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all property and moneys held by it hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request be executed, acknowledged and delivered by the Authority.

Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of this Trust Agreement and otherwise qualified to act as Trustee hereunder with or into which the bank or trust company acting as Trustee may be merged or consolidated, or to which the assets and business of such bank or trust company may be sold, shall be deemed the successor of the Trustee.

### **Section 8.16. Appointment of Depositaries.**

The Authority may at any time and from time to time appoint one or more Depositaries to hold any one or more of the accounts (other than the Reserve Subaccount) established pursuant to this Trust Agreement. Such Depositary or Depositaries shall perform at the direction of the Authority the duties of the Authority in depositing, transferring and disbursing moneys to and from each of such accounts as set forth in this Trust Agreement, and all records of such Depositary in performing such duties shall be open at all reasonable times to inspection by the Trustee, the Authority and their agents and employees. Any such Depositary shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having a combined capital, surplus and undivided profits aggregating not less than \$100,000,000. In the event any Depositary is appointed by the Authority, the provisions of Sections 8.01, 8.05, 8.06, 8.07, 8.08, 8.09, 8.12, 8.13 and 8.14 shall apply to

such Depository as if such Depository were the Trustee, and the Trustee shall not be liable or responsible for the failure of such Depository to act or for the insolvency of or any omission by such Depository, as provided in Section 8.04 of this Article. Any Depository may resign at any time after 30 Business Days' prior written notice to the Authority and the Trustee. The Authority shall notify the Trustee promptly after the appointment of any Depository.

## **ARTICLE IX**

### **EXECUTION OF INSTRUMENTS BY BONDHOLDERS**

### **AND PROOF OF OWNERSHIP OF BONDS AND PARITY INDEBTEDNESS**

#### **Section 9.01. Execution of Instruments.**

##### **(a) General.**

Any request, direction, consent or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Bondholders or owners of Parity Indebtedness may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders or owners of Parity Indebtedness or their attorneys or legal representatives duly appointed in writing. Except as otherwise expressly provided herein, proof of the execution of any such instrument or of any instrument appointing any such attorney, or the holding by any person of such Bond or Parity Indebtedness shall be sufficient for any purpose of this Trust Agreement and shall be conclusive in favor of the Trustee or the Bond Registrar or the Authority with regard to any action taken by any of them under such instrument if made in accordance with this Section.

##### **(b) Proof of Execution.**

The fact and date of the execution by any Bondholder or owner of Parity Indebtedness or the attorney or legal representative of any Bondholder or owner of Parity Indebtedness of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such verification or affidavit shall also constitute sufficient proof of the authority of such officer.

##### **(c) Proof of Ownership of Bonds and Parity Indebtedness.**

The ownership of Bonds shall be proved by the registration books kept under the provisions of Section 2.06 and the ownership of Parity Indebtedness shall be proved as provided by Supplemental Agreement, which may provide that the books kept by the Bond Registrar under Section 2.06 shall be used to determine ownership of Parity Indebtedness.

**(d) Other Proof.**

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may in its discretion require further proof or accept any other evidence of the matters herein stated which it may deem sufficient.

**(e) Owners' Actions Bind Future Owners.**

Any request or consent of the owner of any Bond or Parity Indebtedness shall bind every future owner of the same Bond or Parity Indebtedness in respect of anything done by the Trustee in pursuance of such request or consent.

**ARTICLE X**  
**EVENTS OF DEFAULT AND REMEDIES**

**Section 10.01. Events of Default.**

Each of the following events is hereby declared an "Event of Default":

- (a) payment of the principal and of the redemption premium, if any, of any of the outstanding Bonds or Parity Indebtedness shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or
- (b) payment of any installment of interest on any of the outstanding Bonds or Parity Indebtedness shall not be made within 30 days after the same shall become due and payable; or
- (c) final judgment for the payment of money shall be rendered against the Authority as a result of the ownership, control or operation of any Transportation Facilities Project and any such judgment shall not be discharged within 90 days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof and such judgment would render the Authority incapable of paying the interest on or the principal of any of the outstanding Bonds or Parity Indebtedness; or
- (d) an order or decree shall be entered, with the consent or acquiescence of the Authority, appointing a receiver or receivers of any Transportation Facilities Project or of the revenues thereof, or if such order or decree, having been entered without the consent or acquiescence of the Authority, shall not be vacated or discharged or stayed on appeal within 90 days after the entry thereof; or
- (e) any proceeding shall be instituted, with the consent or acquiescence of the Authority, for the purpose of effecting a composition between the Authority and

its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Revenues; or

(f) the Authority shall default in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the Bonds or Parity Indebtedness or in this Trust Agreement on the part of the Authority to be performed, and such 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, which may give such notice in its discretion and shall give such notice at the written request of the owners of not less than a majority of the Bonds; *provided*, however, that if the Authority shall proceed to take any curative action that, 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.

Notwithstanding any provision of this Trust Agreement to the contrary, in determining whether an Event of Default has occurred under this Section, no effect shall be given to payments made under the 1992 Bond Insurance Policy or the 2004 Bond Insurance Policy.

The Trustee shall give immediate notice to the 1992 Bond Insurer of the occurrence of any Event of Default known to the Trustee within 30 days of the Trustee's knowledge thereof.

#### **Section 10.02. Acceleration of Maturities.**

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may, and upon the written request of the owners of not less than a majority of the Bonds and Parity Indebtedness shall, by notice in writing to the Authority, declare the principal amount of the Bonds and Parity Indebtedness then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Bonds or Parity Indebtedness or in this Trust Agreement to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds and Parity Indebtedness shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Trust Agreement, moneys shall have accumulated in the Debt Retirement Account sufficient to pay the principal of all matured Bonds and Parity Indebtedness outstanding and all arrears of interest, if any, upon all the Bonds and Parity Indebtedness outstanding (except the principal of any Bonds and Parity Indebtedness not then due and payable by their terms and the interest accrued on such Bonds since the last Interest Payment Date), and the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and all other amounts then payable by the Authority hereunder shall have been paid or a sum sufficient to pay the same shall have

been deposited with the Trustee, and every other default known to the Trustee in the observance or performance of any covenant, condition, agreement or provision contained in the Bonds or Parity Indebtedness or in this Trust Agreement (other than a default in the payment of the principal of such Bonds and Parity Indebtedness then due and payable only because of a declaration under this Section) shall have been remedied to the satisfaction of the Trustee, then and in every such case the Trustee shall, by written notice to the Authority, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

### **Section 10.03. Enforcement of Remedies.**

Upon the happening and continuance of any Event of Default specified, then and in every such case the Trustee may proceed, and upon the written request of the owners of not less than a majority of the Bonds and Parity Indebtedness shall proceed, subject to the provisions of Section 8.02, to protect and enforce its rights and the rights of the Bondholders under the laws of the State of Maryland or under this Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy 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, interest or otherwise under any of the provisions of this Trust Agreement or of the Bonds and Parity Indebtedness and unpaid, with interest on overdue payments of principal at the rate or rates of interest specified in such Bonds and Parity Indebtedness, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds and Parity Indebtedness, without prejudice to any other right or remedy of the Trustee or of the Bondholders or owners of Parity Indebtedness, and to recover and enforce judgment or decree against the Authority, but solely as provided herein and in such Bonds and Parity Indebtedness, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from any moneys available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable.

### **Section 10.04. Pro Rata Application of Funds.**

Anything in this Trust Agreement to the contrary notwithstanding, if at any time the moneys in the Debt Retirement Account shall not be sufficient to pay the interest on or the principal of the Bonds and Parity Indebtedness as the same shall become due and payable (either by their terms or by acceleration of maturities under the provisions of Section 10.02), such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

(a) If the principal of all the Bonds and Parity Indebtedness shall not have become or shall not have been declared 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 and payable on the outstanding Bonds and Parity Indebtedness in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such installment, 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 Parity Indebtedness;

*Second:* to the payment to the persons entitled thereto of the unpaid principal of any outstanding Bonds and Parity Indebtedness that shall have become due and payable (other than Bonds or Parity Indebtedness called for redemption or to be prepaid for the payment of which moneys are held pursuant to the provisions of this Trust Agreement), in the order of their due dates, with interest on the principal amount of such Bonds or Parity Indebtedness at the respective rates specified therein from the respective dates upon which such Bonds or Parity Indebtedness became due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Bonds and Parity Indebtedness due and payable on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and

*Third:* to the payment of the interest on and the principal of the outstanding Bonds and Parity Indebtedness, to the purchase and retirement of Bonds and to the redemption of Bonds and the prepayment or retirement of Parity Indebtedness, all in accordance with the provisions of this Trust Agreement

(b) If the principal of all outstanding Bonds or Parity Indebtedness shall have become or shall have been declared 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 and payable on the outstanding Bonds and Parity Indebtedness (excluding any interest that shall have accrued on any Bonds or Parity Indebtedness after the maturity date thereof) in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such installment, 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 or Parity Indebtedness, and then to the payment of any interest that shall have accrued on such Bonds or Parity Indebtedness after maturity, ratably, 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 or Parity Indebtedness; and

*Second:* to the payment of the principal of the outstanding Bonds or Parity Indebtedness, ratably, to the persons entitled thereto, without preference or priority of any Bond over any other Bond or Parity Indebtedness.

(c) If the principal of all the Bonds and Parity Indebtedness shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of Section 10.02, then, subject to the provisions of paragraph (b) above in the event that the principal of all the Bonds or Parity Indebtedness shall later become due and payable or be declared due and payable, the moneys remaining in and thereafter accruing to the Debt Retirement Account shall be applied in accordance with the provisions of paragraph (a) of this Section.

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 in its sole discretion shall 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 deposit of such moneys with the Paying Agents, or otherwise setting aside such moneys, in trust for the proper purpose shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Authority, to any Bondholder 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 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 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.

#### **Section 10.05. Effect of Discontinuance of Proceedings.**

In case any proceeding taken by the Trustee or Bondholders on account of any default shall have been discontinued or abandoned for any reason, then and in every such case the Authority, the Trustee and the Bondholders and the owners of any Parity Indebtedness 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 10.06. Majority of Bondholders May Control Proceedings.**

Anything in this Trust Agreement to the contrary notwithstanding, the owners of a majority of the Bonds and Parity Indebtedness shall have the right, subject to the provisions of Section 8.02, by an instrument or concurrent instruments 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 hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Trust Agreement.

#### **Section 10.07. Restrictions Upon Action by Individual Bondholders.**

Except as provided in Section 6.14, no holder of any of the Bonds or owner of Parity Indebtedness shall have any right to institute any suit, action or proceeding in equity or at law on any Bond or Parity Indebtedness or for the execution of any trust hereunder or for any other remedy hereunder unless such owner 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, and unless also the owners of not less than a majority of the Bonds and Parity Indebtedness shall have made written request of 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 hereinabove granted or to institute such action, suit or proceeding in its or their name, and unless, also, 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; and 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; *provided*, however, that notwithstanding the foregoing provisions of this Section and without complying therewith, the owners of not less than a majority of the Bonds and Parity Indebtedness may institute any such suit, action or proceeding in their own names for the benefit of all owners of outstanding Bonds and Parity Indebtedness. It is understood and intended that, except as otherwise above provided, no one or more owners of the Bonds or Parity Indebtedness shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Trust Agreement, or to enforce any right hereunder except in the manner herein provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all owners of outstanding Bonds and Parity Indebtedness, and that any individual right of action or other right given to one or more of such owners by law is restricted by this Trust Agreement to the rights and remedies herein provided.

## **Section 10.08. Actions by Trustee.**

All rights of action under this Trust Agreement or under any of the Bonds or Parity Indebtedness, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds or Parity Indebtedness 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 of the holders of outstanding Bonds and Parity Indebtedness, subject to the provisions of this Trust Agreement.

## **Section 10.09. No Remedy Exclusive.**

No remedy herein conferred upon or reserved to the Trustee or to the owners of the Bonds or Parity Indebtedness is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder.

## **Section 10.10. Waiver.**

### **(a) General.**

No delay or omission of the Trustee or of any owner of the Bonds or Parity Indebtedness to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Trust Agreement to the Trustee and to the owners of the Bonds and Parity Indebtedness, respectively, may be exercised from time to time and as often as may be deemed expedient.

### **(b) Waiver of Default.**

The Trustee may, and upon written request of the owners of not less than a majority of the Bonds and Parity Indebtedness shall, waive any default 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 defaults or impair any other rights or remedies.

## **Section 10.11. Notice of Default.**

The Trustee shall provide or shall direct the Bond Registrar to provide to the NRMSIRs and all registered owners of Bonds and Parity Indebtedness written notice of the occurrence of any Event of Default within 30 days after the Trustee shall be deemed to have notice under Section 8.08 that such Event of Default shall have occurred. The Trustee shall not, however, be subject to any liability to any Bondholder or any owner of Parity Indebtedness by reason of its failure to provide any such notice.

## **Section 10.12. 1992 Bond Insurer and 2004 Bond Insurer Deemed Sole Holder.**

For all purposes of this Article, except for the provisions of Sections 10.07 and 10.11, the 1992 Bond Insurer shall be deemed to be the sole holder of all of the Series 1992 Bonds which are insured Capital Appreciation Bonds, and the 2004 Bond Insurer shall be deemed to be the sole holder of all of the Series 2004 Bonds. The 1992 Bond Insurer and the 2004 Bond Insurer may give to the Trustee, and the Trustee shall accept from the 1992 Bond Insurer and the 2004 Bond Insurer, notice of the occurrence of any default under this Trust Agreement.

## **ARTICLE XI SUPPLEMENTAL AGREEMENTS**

### **Section 11.01. Supplemental Agreements without Consent.**

#### **(a) General.**

Without notice to or the consent of the owner of any Bond or Parity Indebtedness, the Authority and the Trustee may enter into such agreements supplemental hereto from time to time as shall not be inconsistent with the terms and provisions hereof (which supplemental agreements shall thereafter form a part hereof):

- (i) 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; or
- (ii) to grant to or confer upon the Trustee for the benefit of the Bondholders and the owners of Parity Indebtedness any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Trustee; or
- (iii) to add to the conditions, limitations and restrictions thereafter to be observed by the Authority under the provisions of this Trust Agreement; or
- (iv) to add to the covenants and agreements of the Authority in this Trust Agreement other covenants and agreements thereafter to be observed by the Authority or to surrender any right or power herein reserved to or conferred upon the Authority, or
- (v) to provide for the issuance of Parity Indebtedness, to provide for the issuance of additional Bonds, to provide for coupon Bonds if then permitted and to provide for such other related matters as may be required or contemplated by or appropriate under this Trust Agreement; or

(vi) to permit the qualification of this Trust Agreement or any Supplemental 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 Agreement such other terms, conditions and provisions as may be permitted or required by such federal statute or state blue sky law; or

(vii) to obtain or to maintain any ratings on outstanding Bonds or Parity Indebtedness from any nationally recognized securities rating agency; or

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

(ix) with the consent of the 1992 Bond Insurer and the 2004 Bond Insurer, to make any other change that, in the opinion of the Authority and the Trustee, shall not materially adversely affect the security for the outstanding Bonds or any Parity Indebtedness.

**(b) Notice of Supplemental Agreement.**

The Trustee shall cause a notice of the execution of any Supplemental Agreement to be given to all owners of outstanding Bonds and Parity Indebtedness. Such notice need not describe the provisions of the proposed Supplemental Agreement but shall state that copies thereof are on file at the Designated Office of the Trustee for inspection by all holders of Bonds and Parity Indebtedness. A failure on the part of the Trustee to mail the notice required by this Section shall not affect the validity of any Supplemental Agreement.

**Section 11.02. Supplemental Agreements with Consent.**

**(a) General.**

Subject to the terms and provisions contained in this Section, and not otherwise, the owners of not less than a majority of the outstanding Bonds and Parity Indebtedness shall have the right, from time to time, anything contained in this Trust Agreement to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee of such agreement or agreements supplemental hereto as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Trust Agreement or in any Supplemental Agreement; *provided*, however, that nothing herein contained shall permit, or be construed as permitting, (i) an extension of the due date for the payment of the principal of or the interest on any Bond, or reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon without the consent of the holder of such Bond, or (ii) a preference or priority of any Bond or Parity Indebtedness over any other Bond or Parity Indebtedness, or a reduction in the aggregate principal amount of outstanding Bonds and Parity Indebtedness the consent of the holders of which is required for any Supplemental Agreement. Nothing herein contained, however, shall be construed as

making necessary the approval by Bondholders or owners of Parity Indebtedness of the execution of any Supplemental Agreement authorized by Section 11.01.

Notwithstanding any provision of this Trust Agreement to the contrary, for all purposes of this Trust Agreement governing consent to and approval of the execution of Supplemental Agreements, the 1992 Bond Insurer shall be deemed to be the sole holder of Series 1992 Bonds which are insured Capital Appreciation Bonds, and the 2004 Bond Insurer shall be deemed to be the sole holder of the Series 2004 Bonds.

**(b) Notice of Supplemental Agreement.**

If at any time the Authority and the Trustee shall enter into any Supplemental Agreement pursuant to this Section, the Trustee shall, at the expense of the Authority, cause notice of the execution of such Supplemental Agreement to be given to all owners of Bonds and outstanding Parity Indebtedness. Such notice need not describe the provisions of the Supplemental Agreement but shall state that copies thereof are on file at the Designated Office of the Trustee for inspection. The Trustee shall not, however, be subject to any liability to any Bondholder or owner of Parity Indebtedness by reason of its failure to mail the notice required by this Section, and any such failure shall not affect the validity of any Supplemental Agreement consented to as provided in this Section.

**(c) Consent of Owners of Majority of Bonds and Parity Indebtedness Binds All.**

If the owners of not less than a majority of the Bonds and Parity Indebtedness outstanding at the time of the execution of any Supplemental Agreement shall have consented to the execution thereof as herein provided, no owner of any Bond or Parity Indebtedness shall have any right to object to the execution of such Supplemental Agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any Supplemental Agreement pursuant to the provisions of this Section, this Trust Agreement shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Trust Agreement of the Authority, the Trustee and all owners of Bonds and Parity Indebtedness then outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Trust Agreement as so modified and amended.

**Section 11.03. Supplemental Agreements Part of this Trust Agreement.**

The Trustee is authorized to join with the Authority in the execution of any Supplemental Agreement and to make the further agreements and stipulations that may be contained therein. Any Supplemental Agreement executed in accordance with the provisions of this Article shall thereafter form a part of this Trust Agreement, and all of the

terms and conditions contained in any such Supplemental Agreement as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Trust Agreement for any and all purposes. In case of the execution and delivery of any Supplemental Agreement, express reference may be made thereto in the text of any Bonds issued thereafter, if deemed necessary or desirable by the Trustee.

#### **Section 11.04. Responsibility of Trustee.**

In each and every case provided for in this Article, the Trustee shall be entitled to exercise its discretion in determining whether or not any proposed Supplemental Agreement, or any term or provision therein contained, is desirable, having in view the purposes of such instrument, the needs of the Authority, the rights and interests of the Bondholders and any owner of Parity Indebtedness, and the rights, obligations and interests of the Trustee, and the Trustee shall not be under any responsibility or liability to the Authority or to any Bondholder or to any owner of Parity Indebtedness or to anyone whomsoever for entering into any Supplemental Agreement in good faith if such agreement is deemed authorized under the provisions of this Article. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it, who may be counsel for the Authority, as evidence that any proposed Supplemental Agreement does or does not comply with the provisions of this Trust Agreement, and that it is or is not proper for the Trustee, under the provisions of this Article, to join in the execution of such Supplemental Agreement.

#### **Section 11.05. Notice to 1992 Bond Insurer and Rating Agencies.**

Within 30 days of the execution and delivery of any Supplemental Agreement, the Authority shall deliver to the 1992 Bond Insurer a complete transcript of the proceedings relating to the authorization and execution of such Supplemental Agreement. At least 15 days prior to the execution and delivery of such Supplemental Agreement, the Authority shall deliver notice of such Supplemental Agreement and a copy thereof to any Rating Agency which then maintains a rating on the Insured Capital Appreciation Bonds.

### **ARTICLE XII DEFEASANCE**

#### **Section 12.01. Defeasance.**

##### **(a) General.**

If the Bonds and any Parity Indebtedness secured hereby shall have become due and payable in accordance with their terms or otherwise as provided in this Trust Agreement or are to be paid at their maturity or maturities or shall have been duly called for redemption or irrevocable instructions to call the Bonds and any Parity Indebtedness for redemption on any date or dates as determined by the Authority shall have been given by the Authority to the Trustee, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds and any Parity Indebtedness then outstanding shall be

paid or sufficient moneys, or Government Obligations the principal of and the interest on which when due and payable will provide sufficient moneys, shall be held by the Trustee or the Paying Agents for such purpose under the provisions of this Trust Agreement as demonstrated by a firm of independent certified public accountants, and provision shall have been made for paying all other sums payable hereunder by the Authority, then and in that case the right, title and interest of the Trustee hereunder shall thereupon cease, determine and become void, and the Trustee in such case, on demand of the Authority, shall release this Trust Agreement and shall execute such documents to evidence such release as may be reasonably required by the Authority, and shall turn over to the Authority or to such officer, board or body as may then be entitled by law to receive the same any surplus in any subaccount in the Debt Retirement Account and all balances remaining in any other accounts or subaccounts other than moneys held for the redemption or payment of Bonds and Parity Indebtedness; otherwise this Trust Agreement shall be, continue and remain in full force and effect; provided, however, that in the event Government Obligations shall be deposited with and held by the Trustee as hereinabove provided, (i) in addition to the notice requirements set forth in Article III of this Trust Agreement, the Trustee shall within 30 days after such obligations shall have been deposited with it cause a notice to be given to the holders of such Bonds and Parity Indebtedness setting forth (A) the date or dates designated for the redemption or payment of such Bonds and any Parity Indebtedness, (B) a description of the obligations so held by it and (C) a statement that this Trust Agreement has been released in accordance with the provisions of this Section, and (ii) the Trustee shall nevertheless retain such rights, powers and privileges under this Trust Agreement, including Articles II, III and VIII hereof, as may be necessary and convenient in respect of the Bonds and any Parity Indebtedness for the payment of the principal, interest and any premium for which such obligations have been deposited.

All moneys and Government Obligations held by the Paying Agents or the Trustee pursuant to this Section shall be held in trust and applied to the payment, when due, of the obligations payable therewith.

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 or Parity Indebtedness which remain unclaimed for four years after the later of the date at which such Bonds or Parity Indebtedness 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.

**(b) Modifications of this Article.**

The provisions of this Article may be modified with respect to any Additional Bonds, Parity Indebtedness or Junior Obligations, including (without limitation) any Indebtedness constituting Variable Rate Indebtedness or Optional Tender Indebtedness.

## **ARTICLE XIII** **MISCELLANEOUS**

### **Section 13.01. Successorship of Authority.**

In the event of the dissolution of the Authority, all of the covenants, stipulations, obligations and agreements contained in this Trust Agreement by or in behalf of or for the benefit of the Authority shall bind or inure to the benefit of the successor or successors of the Authority from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the word "Authority" as used in this Trust Agreement shall include such successor or successors.

### **Section 13.02. Successorship of Paying Agents, Depositaries or Bond Registrar.**

Any bank or trust company with or into which any Paying Agent, Depositary or Bond Registrar may be merged or consolidated, or to which the assets and business of such Paying Agent, Depositary or Bond Registrar may be sold, shall be deemed the successor of such Paying Agent, Depositary or Bond Registrar for the purposes of this Trust Agreement. If the position of any Paying Agent shall become vacant for any reason, the Authority shall, within 30 days thereafter, appoint a bank or trust company located in the same city as Paying Agent or Bond Registrar to fill such vacancy; provided, however, that if the Authority shall fail to appoint such Paying Agent or Bond Registrar within such period, the Trustee shall make such appointment.

### **Section 13.03. Manner of Giving Notice.**

(a) Any notice, demand, direction, request or other instrument authorized or required by this Trust Agreement to be given to or filed with the Authority or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Trust Agreement if and when sent by registered mail, return receipt requested:

(i) if to the Authority, addressed to Maryland Transportation Authority, 2310 Broening Highway, Suite 150, Baltimore, Maryland 21224, Attention: Chief Financial Officer; and

(ii) if to the Trustee, addressed to The Bank of New York, Corporate Trust Administration, 385 Rifle Camp Road, 3rd Floor, West Paterson, New Jersey 07424, Attention: David O'Brien, or to any successor Trustee, if addressed to it at such address as shall be specified by such successor Trustee at the time of its appointment.

(iii) if to the 1992 Bond Insurer, addressed to Financial Guaranty Insurance Company, 115 Broadway, New York, NY 10006. Attention: Managing Counsel.

(iv) if to the 2004 Bond Insurer, addressed to: Financial Security Assurance Inc., 31 West 52<sup>nd</sup> Street, New York, New York 10019, Attention: Managing Director -- Surveillance.

(v) if to the 2007 Bond Insurer, addressed to: Financial Security Assurance Inc., 31 West 52<sup>nd</sup> Street, New York, New York 10019, Attention: Managing Director -- Surveillance.

(vi) if to a Rating Agency, addressed to: (1) Fitch Ratings, One State Street Plaza, New York, New York 10004; (2) Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007; and (3) Standard & Poor's Rating Services, 55 Water Street, 38<sup>th</sup> Floor, New York, New York 10041.

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

(c) No failure by the Authority to provide any notice required hereunder to the holder of any Bond or Parity Indebtedness or any NRMSIR shall constitute an Event of Default hereunder and the sole and exclusive remedy for any such failure shall be an action brought by the Trustee or any affected holder to compel specific performance by the Authority of its undertakings hereunder.

(d) All documents received by the Trustee under the provisions of this Trust Agreement, or copies thereof, shall be retained in its possession until this Trust Agreement shall be released under the provisions of Section 12.01, subject at all reasonable times to the inspection of the Authority, any holder of outstanding Bonds or Parity Indebtedness, and the agents and representatives thereof.

#### **Section 13.04. Parties and Holders and Owners Alone Have Rights.**

Except as otherwise expressly provided herein, nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the owners of the Bonds and Parity Indebtedness any right, remedy or claim, legal or equitable, under or by reason of this Trust Agreement or any provision hereof, this Trust Agreement and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the owners from time to time of the Bonds and Parity Indebtedness.

### **Section 13.05. Effect of Partial Invalidity.**

In case any one or more of the provisions of this Trust Agreement or of the Bonds or Parity Indebtedness shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Trust Agreement or of the Bonds or Parity Indebtedness, but this Trust Agreement and the Bonds and Parity Indebtedness shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Bonds, any Parity Indebtedness or this Trust Agreement shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Authority to the full extent permitted by law.

### **Section 13.06. Effect of Covenants.**

#### **(a) General.**

All covenants, stipulations, obligations and agreements of the Authority contained in this Trust Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the Authority and of the State to the full extent authorized by the Enabling Legislation and permitted by the Constitution and laws of the State.

#### **(b) Governing Law.**

This Trust Agreement is executed with the intent that the laws of the State shall govern its construction.

#### **(c) Immunity from Liability of Authority Members, Etc.**

No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, employee or agent of the Authority in his individual capacity, and neither the members of the Authority nor any officer thereof executing the Bonds or Parity Indebtedness shall be liable personally on the Bonds or Parity Indebtedness or be subject to any personal liability or accountability by reason of the issuance thereof. No member, officer, employee or agent of the Authority shall incur any personal liability in acting or proceeding or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Trust Agreement and the Enabling Legislation.

### **Section 13.07. Effect of Agreement; Consent to Amendment of Prior Trust Agreement.**

This Trust Agreement is entered into in accordance with Section 1102 of the Prior Trust Agreement in order to amend and restate the Prior Trust Agreement as in effect immediately prior to the execution and delivery hereof, it being the intention and purpose of the parties that this Trust Agreement shall hereafter be in full force and effect, in substitution for and in lieu of the Prior Trust Agreement as in effect immediately prior to the execution and delivery hereof. By their acceptance of the Series 2007 Bonds, the holders thereof shall

be deemed to have consented to the amendment and restatement of the Prior Trust Agreement in accordance with this Trust Agreement.

**Section 13.08. Section 4-313 of Enabling Legislation Not Applicable.**

As provided in Section 4-313 of the Enabling Legislation, Section 4-313 of the Enabling Legislation does not apply to any Bonds or Parity Indebtedness.

**Section 13.09. Multiple Counterparts.**

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

**Section 13.10. Other Trust Agreements.**

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

**Section 13.11. Business Days.**

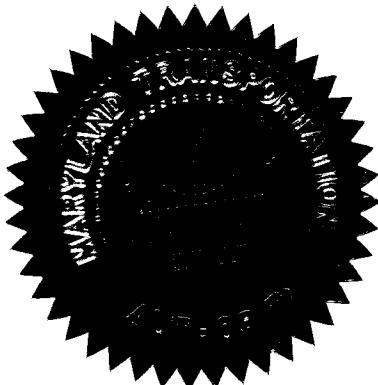
Except as otherwise expressly provided herein or in any Supplemental Agreement, if any date specified herein or the payment of any Bond or the performance of any act shall not be a Business Day, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made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

**Section 13.12. Security Agreement.**

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

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



**MARYLAND TRANSPORTATION AUTHORITY**

By: *Ronald L. Freeland*  
Ronald L. Freeland  
Executive Secretary

**THE BANK OF NEW YORK, as Trustee**

(SEAL)

By: *David J. O'Brien*  
David J. O'Brien  
Vice President

ATTEST:

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

Approved as to form and legal sufficiency:

*Deborah A. Donohue*  
Deborah A. Donohue  
Assistant Attorney General and  
Principal Counsel to the Maryland  
Transportation Authority

[Signature page of Trust Agreement]

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

**MARYLAND TRANSPORTATION AUTHORITY**

(SEAL)

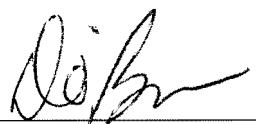
By:

Ronald L. Freeland  
Executive Secretary

**THE BANK OF NEW YORK, as Trustee**

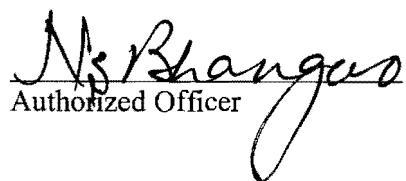
(SEAL)

By:

  
\_\_\_\_\_  
David J. O'Brien  
Vice President

ATTEST:

By:

  
\_\_\_\_\_  
Authorized Officer

Approved as to form and legal sufficiency:

\_\_\_\_\_  
Deborah A. Donohue  
Assistant Attorney General and  
Principal Counsel to the Maryland  
Transportation Authority

[Signature page of Trust Agreement]

**STATE OF MARYLAND, CITY OF BALTIMORE, TO WIT:**

**I HEREBY CERTIFY** that on the 19th day of September in the year 2007, before the subscriber, a Notary Public in and for the State of Maryland, personally came Ronald L. Freeland, Executive Secretary, of the Maryland Transportation Authority (the "Authority"), and acknowledged that the name of said Authority was subscribed to the foregoing Trust Agreement by himself as the Executive Secretary thereof, that the seal impressed thereon is the seal of said Authority, that said name was subscribed and said seal impressed by the direction and authority of said Authority, and that the foregoing Trust Agreement is the free act and deed of said Authority for the uses and purposes therein mentioned.

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

*Patricia A. Bishoff*  
Notary Public

My commission expires 02/01/2010



**STATE OF NEW JERSEY, COUNTY OF PASSAIC, TO WIT:**

**I HEREBY CERTIFY** that on the 26<sup>th</sup> day of September in the year 2007, before the subscriber, a Notary Public in and for the State of New Jersey, personally came David J. O'Brien, who is a Vice President of The Bank of New York (the "Bank") and acknowledged that the name of said Bank was subscribed to the foregoing Trust Agreement by himself as a Vice President thereof, that the seal impressed thereon is the seal of said Bank, that said name was subscribed and said seal impressed by the direction and authority of said Bank and that the foregoing Trust Agreement is the free act and deed of said Bank for the uses and purposes therein mentioned.

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

Malina F. Newman

Notary Public

My commission expires March 27, 2010  
MALINA F. NEWMAN  
NOTARY PUBLIC OF NEW JERSEY  
Commission Expires March 27, 2010

(SEAL)

**Appendix A-1 to  
Trust Agreement**

**FORM OF SERIES 1992 BOND**

(See Attached)

Form of Capital Appreciation Bonds

No. R - \_\_\_\_\_

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

MARYLAND TRANSPORTATION AUTHORITY

Transportation Facilities Projects Revenue Bond,  
Series 1992

Interest Rate Maturity Date Original Issue Date Original Principal Amount CUSIP No.

September 9, 1992

Registered Owner \_\_\_\_\_

Accreted Amount At Maturity \_\_\_\_\_ Dollars

Maryland Transportation Authority, an agency of the State of Maryland, acting on behalf of the Department of Transportation of Maryland (said agency being herein sometimes called the "Authority"), for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the Registered Owner named above, or registered assigns, on the Maturity Date set forth above, upon the presentation and surrender hereof, at the corporate trust office of Signet Trust Company in the City of Baltimore, Maryland (the "Bond Registrar" and "Paying Agent") the Original principal amount set forth above in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts. No current interest is payable on this Bond. Interest on this Bond shall accrue from its date of initial delivery, shall be compounded on January 1, 1993, and semiannually on each January 1 and July 1 thereafter until maturity at the rate specified above (computed on the basis of a 360-day year, composed of twelve 30-day months) and shall be paid at the maturity date of this Bond. The applicable Accreted Amount of this Bond, which includes the original principal amount, determined as hereinafter provided, will be paid only at maturity.

This bond shall not be considered to constitute a debt or a pledge of the faith and credit of the State of Maryland or the Department of Transportation of Maryland, but shall be

payable solely from the special fund provided therefor as hereinafter set forth from revenues of the Transportation Facilities Projects (hereinafter defined) and, to the extent provided in the Agreement, from revenues of General Account Projects (as defined in the Agreement). Neither the State of Maryland nor the Authority is obligated to pay the principal of or the interest on this bond except from the revenues of the Transportation Facilities Projects, and neither the faith and credit nor the taxing power of the State of Maryland nor the revenues of the Department of Transportation of Maryland are pledged to the payment of the principal of or the interest on this bond.

This bond is one of a duly authorized series of revenue bonds of the Authority aggregating One Hundred Sixty-Two Million One Hundred Fifteen Thousand Two Hundred Ninety-Four Dollars (\$162,115,294.55) in principal amount, known as "Transportation Facilities Projects Revenue Bonds, Series 1992," (herein called the "Series 1992 Bonds"), consisting of \$121,220,000 aggregate principal amount of Current Interest Bonds dated as of the 15th day of August, 1992, maturing in annual installments on the 1st day of July in the years 1996 to 2003, inclusive, and in 2005, 2006, 2013 and 2015, and \$40,895,294.55 aggregate original principal amount of Capital Appreciation Bonds, dated September 9, 1992, maturing in annual installments on the 1st day of July in 2004 and in the years 2007 to 2015, inclusive, and issued (i) to advance refund a portion of certain maturities of the Authority's Transportation Facilities Projects Revenue Bonds, Series 1985, (the "Refunded Bonds") (ii) to finance a deposit to the credit of the Series 1992 Reserve Subaccount established pursuant to the Agreement (defined herein), and (iii) to pay certain costs of issuance.

The Authority's outstanding Transportation Facilities Projects Revenue Bonds, Series 1985 (the "Series 1985 Bonds"), and the Authority's Transportation Facilities Projects Revenue Bonds, Series 1991 (the "Series 1991 Bonds"), together with the Series 1992 Bonds and any other bonds of the Authority issued under the Agreement, are referred to herein as the "bonds."

ADDITIONAL PROVISIONS OF THIS BOND ARE SET FORTH BELOW AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH SET FORTH HERE.

IN WITNESS WHEREOF, Maryland Transportation Authority has caused this bond to bear the signatures of the Chairman of the Authority, the Executive Secretary of the Authority, and the official seal of the Authority to be imprinted hereon, all as of the 15th day of August, 1992.

---

Executive Secretary  
of the Maryland  
Transportation Authority

Chairman  
of the Maryland  
Transportation Authority

CERTIFICATE OF AUTHENTICATION

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

SIGNET TRUST COMPANY,  
as Bond Registrar

Date of Authentication:

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

\* \* \* \* \*

The Series 1992 Bonds are being issued on a parity with the Authority's outstanding Transportation Facilities Projects Revenue Series 1985 Bonds, (the "Series 1985 Bonds") and Transportation Facilities Projects Revenue Bonds, Series 1991 (the "Series 1991 Bonds"). All of the Series 1992 Bonds are issued under and pursuant to a Trust Agreement dated as of December 1, 1985, by and between the Authority and Union Trust Company of Maryland, in the City of Baltimore, Maryland, as supplemented by a Supplemental Agreement dated as of May 1, 1987, by and between the Authority and Signet Bank/Maryland, formerly Union Trust Company of Maryland, as supplemented by a Second Supplemental Agreement dated as of July 15, 1989, between the Authority and Signet Bank/Maryland, as supplemented by a Third Supplemental Agreement dated as of May 15, 1991, between the Authority and Signet Bank/Maryland, as Supplemented by a Fourth Supplemental Agreement dated as of September 1, 1991, by and between the Authority and Signet Trust Company (the "Trustee"), successor to Signet Bank/Maryland, and as supplemented by a Fifth Supplemental Agreement dated as of August 1, 1992, by and between the Authority and the Trustee (such Trust Agreement, Supplemental Agreement, Second

Supplemental Agreement Third Supplemental Agreement, Fourth Supplemental Agreement and Fifth Supplemental Agreement are herein collectively referred to as the "Agreement"). Executed counterparts of such Trust Agreement, including all Supplements thereto, are on file at the corporate trust office of the Trustee in the City of Baltimore, Maryland. Reference is hereby made to the Agreement for the provisions, among others, with respect to the custody and application of the proceeds of bonds issued under the Agreement, the collection and disposition of revenues, the fund charged with and pledged to the payment of the interest on and the principal of the bonds, the nature and extent of the security, the terms and conditions on which the bonds of each series are or may be issued, the rights, duties and obligations of the Authority, the Paying Agent for the Series 1992 Bonds, the Trustee and the Bond Registrar for the Series 1992 Bonds and the rights of the registered owners of the bonds and, by the acceptance of this bond, the registered owner hereof assents to all of the provisions of the Agreement.

The Agreement provides for the issuance, from time to time, under the conditions, limitations and restrictions therein set forth, of additional series of bonds for the purpose of paying all or any part of the cost of any additional Transportation Facilities Project or Projects (as defined in the Agreement) or any additions, improvements and enlargements to any Project or Projects constituting one or more of the Transportation Facilities Projects. The Agreement also provides for the issuance, under the conditions, limitations and restrictions therein set forth, of additional series of bonds for the purpose of providing funds, with any other available funds, for refunding revenue bonds or other indebtedness of the Authority issued under the provisions of the Enabling Act (hereinafter mentioned).

This bond is issued and the Agreement was made and entered into under and pursuant to the Constitution and laws of the State of Maryland, particularly Title 4 of the Transportation Article of the Annotated Code of Maryland (1977 Edition and 1991 Cumulative Supplement) (herein called the "Enabling Act"), and under and pursuant to resolutions duly adopted by the Authority.

The Agreement, in accordance with and as required by the Enabling Act, provides for the fixing, revising, charging and collecting by the Authority of rentals, rates, fees, tolls and other charges and revenues for the use or services of the Transportation Facilities Projects (being collectively the Potomac River Bridge, the Chesapeake Bay Bridge, the Baltimore Harbor Tunnel, the Baltimore Harbor Outer Bridge, the Northeastern Expressway, the Fort McHenry Tunnel

and any additional Transportation Facilities Project or Projects, and any additions, improvements and enlargements thereto) in order that such revenues of the Transportation Facilities Projects will be sufficient to provide funds to pay the cost of maintaining, repairing and operating the Transportation Facilities Projects and to pay the principal of and the interest on all bonds issued under the Agreement and all Parity Indebtedness (as defined in the Agreement) as the same shall become due and payable, and to create and maintain reserves for such purposes. The Agreement also provides for the deposit of a sufficient amount of such revenues, over and above such cost of maintenance, repair and operation, and except as otherwise provided in the Agreement for the deposit of revenues of General Account Projects (as defined in the Agreement) to the credit of a special account designated "Maryland Transportation Authority Transportation Facilities Projects Interest and Debt Retirement Account" (herein called the "Debt Retirement Account") to pay such principal and interest, which account is pledged to and charged with the payment of such principal and interest.

The bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 of Accreted Amount at maturity or any integral multiple thereof. Bonds may be exchanged for an equal aggregate principal amount of bonds of the same series and maturity, of authorized denominations and bearing interest at the same rate, at the corporate trust office of the Bond Registrar in the City of Baltimore, Maryland, in the manner and subject to the limitations and conditions provided in the Agreement.

The transfer of this bond is registrable by the registered owner hereof in person or by his attorney or legal representative at the corporate trust office of the Bond Registrar in the City of Baltimore, Maryland, but only in the manner and subject to the limitations and conditions provided in the Agreement and upon surrender and cancellation of this bond. Upon any such registration of transfer the Authority shall execute and the Bond Registrar shall authenticate and deliver in exchange for this bond a new bond or bonds registered in the name of the transferee, of authorized denominations in aggregate principal amount equal to the principal amount of this bond, of the same series and maturity and bearing interest at the same rate. Neither the Authority nor the Bond Registrar shall be required to make any exchange or to register the transfer of any bond during the fifteen (15) days immediately preceding the date of the Authority's giving notice of redemption or after such bond has been selected for redemption.

As declared by the Enabling Act, this bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Agreement, is an investment security under the Uniform Commercial Code of the State of Maryland, and nothing contained in this bond or in the Agreement shall affect or impair the negotiability of this bond.

The Accreted Amount of this Bond, as of the date of delivery, and on each January 1 and July 1, beginning January 1, 1993, is the amount set forth for such date in the table below. The Accreted Amount of this Bond as of any date other than a January 1 and July 1, is the sum of (a) the Accreted Amount on the preceding January 1 or July 1 (whichever is closer in time) and (b) the product of (i) a fraction, the numerator of which is the number of days (calculated on the basis of a 360-day year of twelve 30-day months) having elapsed from such preceding January 1 or July 1 (as the case may be) and the denominator of which is the number of days (calculated on the basis of a 360-day year of twelve 30-day months) from such preceding January 1 or July 1 (as the case may be) to the next succeeding January 1 or July 1 (as the case may be) and (ii) the difference between the Accreted Amounts for such January 1 and July 1. Notwithstanding the immediately preceding sentence, the Accreted Amount of this Bond as of any date from the date of delivery until and including December 31, 1992, is the sum of (a) the Accreted Amount as of the date of delivery and (b) the product of (i) a fraction, the numerator of which is the number of days (calculated on the basis of a 360-day year of twelve 30-day months) having elapsed from the date of delivery and the denominator of which is the number of days (calculated on the basis of a 360-day year of twelve 30-day months) from the date of delivery to January 1, 1993 and (ii) the difference between the Accreted Amount as of the date of initial delivery and the Accreted Amount on January 1, 1993.

This Bond shall not be subject to redemption prior to maturity.

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

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

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

This bond is issued with the intent that the laws of the State of Maryland shall govern its construction.

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

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

\* \* \* \* \*

## CAPITAL APPRECIATION BONDS MATURING JULY 1,

Date of Calculation	2004	2007	2008	2009	2010	2011	2012	2013	2014	2015
9/09/1992	\$2,487.25	\$2,009.55	\$1,875.15	\$1,762.35	\$1,647.80	\$1,548.25	\$1,449.15	\$1,361.35	\$1,278.85	\$1,201.35
1/01/1993	2,533.43	2,048.40	1,911.69	1,796.70	1,680.07	1,578.57	1,477.61	1,388.09	1,303.97	1,224.95
7/01/1993	2,609.43	2,112.41	1,971.91	1,853.29	1,733.24	1,628.53	1,524.53	1,432.16	1,345.37	1,263.84
1/01/1994	2,687.71	2,178.43	2,034.03	1,911.67	1,788.10	1,680.07	1,572.93	1,477.63	1,388.09	1,303.97
7/01/1994	2,768.35	2,246.50	2,098.10	1,971.89	1,844.69	1,733.25	1,622.87	1,524.55	1,432.16	1,345.37
1/01/1995	2,851.40	2,316.71	2,164.19	2,034.01	1,903.08	1,788.11	1,674.40	1,572.95	1,477.63	1,388.08
7/01/1995	2,936.94	2,389.10	2,232.37	2,098.08	1,963.31	1,844.70	1,727.56	1,622.89	1,524.54	1,432.16
1/01/1996	3,025.05	2,463.76	2,302.69	2,164.17	2,025.45	1,903.09	1,782.41	1,674.42	1,572.95	1,477.63
7/01/1996	3,115.81	2,540.76	2,375.22	2,232.35	2,089.56	1,963.32	1,839.01	1,727.58	1,622.89	1,524.54
1/01/1997	3,209.28	2,620.15	2,450.04	2,302.67	2,155.70	2,025.46	1,897.40	1,782.43	1,674.42	1,572.95
7/01/1997	3,305.56	2,702.03	2,527.22	2,375.20	2,223.93	2,089.57	1,957.64	1,839.03	1,727.58	1,622.89
1/01/1998	3,404.73	2,786.47	2,606.83	2,450.02	2,294.31	2,155.70	2,019.79	1,897.41	1,782.43	1,674.41
7/01/1998	3,506.88	2,873.55	2,688.94	2,527.20	2,366.93	2,223.93	2,083.92	1,957.66	1,839.02	1,727.58
1/01/1999	3,612.09	2,963.35	2,773.65	2,606.81	2,441.85	2,294.32	2,150.09	2,019.81	1,897.41	1,782.43
7/01/1999	3,720.45	3,055.95	2,861.02	2,688.93	2,519.13	2,366.94	2,218.35	2,083.94	1,957.65	1,839.02
1/01/2000	3,832.07	3,151.45	2,951.14	2,773.63	2,598.87	2,441.85	2,288.79	2,150.11	2,019.81	1,897.41
7/01/2000	3,947.03	3,249.94	3,044.10	2,861.00	2,681.12	2,519.14	2,361.46	2,218.37	2,083.94	1,957.65
1/01/2001	4,065.44	3,351.50	3,139.99	2,951.12	2,765.98	2,598.87	2,436.43	2,288.81	2,150.10	2,019.81
7/01/2001	4,187.41	3,456.23	3,238.91	3,044.09	2,853.53	2,681.13	2,513.79	2,361.47	2,218.37	2,083.93
1/01/2002	4,313.03	3,564.24	3,340.93	3,139.98	2,943.84	2,765.99	2,593.60	2,436.45	2,288.80	2,150.10
7/01/2002	4,442.43	3,675.62	3,446.17	3,238.89	3,037.02	2,853.53	2,675.95	2,513.81	2,361.47	2,218.37
1/01/2003	4,575.70	3,790.48	3,554.73	3,340.92	3,133.14	2,943.85	2,760.91	2,593.62	2,436.45	2,288.80
7/01/2003	4,712.98	3,908.94	3,666.71	3,446.16	3,232.31	3,037.02	2,848.57	2,675.97	2,513.81	2,361.47
1/01/2004	4,854.37	4,031.09	3,782.21	3,554.72	3,334.61	3,133.15	2,939.02	2,760.93	2,593.62	2,436.44
7/01/2004	5,000.00	4,157.06	3,901.35	3,666.69	3,440.16	3,232.31	3,032.33	2,848.59	2,675.97	2,513.80
1/01/2005	-	4,286.97	4,024.24	3,782.20	3,549.04	3,334.62	3,128.61	2,939.03	2,760.93	2,593.62
7/01/2005	-	4,420.94	4,151.01	3,901.34	3,661.37	3,440.16	3,227.94	3,032.35	2,848.59	2,675.96
1/01/2006	-	4,559.09	4,281.77	4,024.24	3,777.25	3,549.04	3,330.43	3,128.62	2,939.03	2,760.93
7/01/2006	-	4,701.57	4,416.65	4,151.00	3,896.81	3,661.37	3,436.17	3,227.96	3,032.34	2,848.58
1/01/2007	-	4,848.49	4,555.77	4,281.76	4,020.14	3,777.26	3,545.27	3,330.45	3,128.62	2,939.03
7/01/2007	-	5,000.00	4,699.28	4,416.64	4,147.38	3,896.81	3,657.84	3,436.19	3,227.96	3,032.34
1/01/2008	-	-	4,847.31	4,555.77	4,278.65	4,020.15	3,773.97	3,545.29	3,330.44	3,128.62
7/01/2008	-	-	5,000.00	4,699.28	4,414.07	4,147.39	3,893.80	3,657.85	3,436.18	3,227.95
1/01/2009	-	-	-	4,847.31	4,553.78	4,278.65	4,017.43	3,773.99	3,545.28	3,330.44
7/01/2009	-	-	-	5,000.00	4,697.91	4,414.08	4,144.98	3,893.81	3,657.85	3,436.18
1/01/2010	-	-	-	-	4,846.61	4,697.91	4,412.37	4,144.99	3,893.81	3,657.84
7/01/2010	-	-	-	-	-	4,846.61	4,552.47	4,276.59	4,017.44	3,773.98
1/01/2011	-	-	-	-	-	5,000.00	4,697.01	4,412.38	4,144.99	3,893.81
7/01/2011	-	-	-	-	-	-	4,846.14	4,552.47	4,276.59	4,017.43
1/01/2012	-	-	-	-	-	-	5,000.00	4,697.01	4,412.38	4,144.99
7/01/2012	-	-	-	-	-	-	-	4,846.14	4,552.47	4,276.59
1/01/2013	-	-	-	-	-	-	-	5,000.00	4,697.01	4,412.37
7/01/2013	-	-	-	-	-	-	-	-	4,846.14	4,552.47
1/01/2014	-	-	-	-	-	-	-	-	5,000.00	4,697.01
7/01/2014	-	-	-	-	-	-	-	-	-	4,846.14
1/01/2015	-	-	-	-	-	-	-	-	-	5,000.00
7/01/2015	-	-	-	-	-	-	-	-	-	-

\* \* \* \* \*

I HEREBY CERTIFY that attached hereto is a true and correct copy of the legal opinion upon the bonds therein described which was manually signed by Steven W. Vanderbosch, Esq. Assistant Attorney General and Counsel to the Maryland Transportation Authority and by Venable, Baetjer and Howard, Baltimore, Maryland, Bond Counsel, and was dated as of the date of delivery of and payment for said bonds.

Chairman of the Maryland Transportation Authority

\* \* \* \* \*

[Form of Assignment]

FOR VALUE RECEIVED, the undersigned hereby sells,  
assigns and transfers unto \_\_\_\_\_ [Please Print or Typewrite Name, Tax  
Identification Number and Address of Transferee] the within  
bond, and all rights thereunder and hereby irrevocably  
constitutes and appoints \_\_\_\_\_ attorney to register  
the transfer of the within bond on the books kept for  
registration thereof, with full power of substitution in the  
premises.

Dated: \_\_\_\_\_

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

Signature Guaranteed\* by: \_\_\_\_\_

\* Signatures must be guaranteed by a commercial bank or trust  
company having an officer or correspondent in New York, New  
York, or by a firm having membership on the New York Stock  
Exchange.

## STATEMENT OF INSURANCE

Financial Guaranty Insurance Company ("Financial Guaranty") has issued a policy containing the following provisions with respect to the Maryland Transportation Authority Transportation Facilities Projects Revenue Bonds, Series 1992 which are Capital Appreciation Bonds, such policy being on file at the principal office of the Trustee, as paying agent (the "Paying Agent"):

Financial Guaranty hereby unconditionally and irrevocably agrees to pay for disbursement to the bondholders that portion of the Accreted Amounts of the Capital Appreciation Bonds which is then due for payment and which the Authority shall have failed to provide. Due for payment means, with respect to the Accreted Amounts, the stated maturity date thereof, and does not refer to any earlier date on which the payment of the Accreted Amounts of the Capital Appreciation Bonds is due by reason of acceleration or other advancement of maturity.

Upon receipt of telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from a bondholder or the Paying Agent to Financial Guaranty that the required payment of the Accreted Amount of a Capital Appreciation Bond has not been made by the Authority to the Paying Agent, Financial Guaranty on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with Citibank, N.A. or its successor as its agent (the "Fiscal Agent"), sufficient to make the portion of such payment not paid by the Authority. Upon presentation to the Fiscal Agent of evidence satisfactory to it of the bondholder's right to receive such payment and any appropriate instruments of assignment required to vest all of such bondholder's right to such payment in Financial Guaranty, the Fiscal Agent will disburse such amount to the bondholder.

As used herein the term "bondholder" means the person other than the Authority who at the time of nonpayment of a Capital Appreciation Bond is entitled under the terms of such Capital Appreciation Bond to payment thereof.

This policy is non-cancellable for any reason.

FINANCIAL GUARANTY INSURANCE COMPANY

### PAYMENT GRID

CAPITAL APPRECIATION BONDS MATURING JULY 1,

Date of Calculation	2004	2007	2008	2009	2010	2011	2012	2013	2014	2015
9/09/1992	\$2,487.25	\$2,009.55	\$1,875.15	\$1,762.35	\$1,647.80	\$1,548.25	\$1,449.15	\$1,361.35	\$1,278.85	\$1,201.35
1/01/1993	2,533.43	2,048.40	1,911.69	1,796.70	1,680.07	1,578.57	1,477.61	1,388.09	1,303.97	1,224.95
7/01/1993	2,609.43	2,112.41	1,971.91	1,853.29	1,733.24	1,628.53	1,524.53	1,432.16	1,345.37	1,263.84
1/01/1994	2,687.71	2,178.43	2,034.03	1,911.67	1,788.10	1,680.07	1,572.93	1,477.63	1,388.09	1,303.97
7/01/1994	2,768.35	2,246.50	2,098.10	1,971.89	1,844.69	1,733.25	1,622.87	1,524.55	1,432.16	1,345.37
1/01/1995	2,851.40	2,316.71	2,164.19	2,034.01	1,903.08	1,788.11	1,674.40	1,572.95	1,477.63	1,388.08
7/01/1995	2,936.94	2,389.10	2,232.37	2,098.08	1,963.31	1,844.70	1,727.56	1,622.89	1,524.54	1,432.16
1/01/1996	3,025.05	2,463.76	2,302.69	2,164.17	2,025.45	1,903.09	1,782.41	1,674.42	1,572.95	1,477.63
7/01/1996	3,115.81	2,540.76	2,375.22	2,232.35	2,089.56	1,963.32	1,839.01	1,727.58	1,622.89	1,524.54
1/01/1997	3,209.28	2,620.15	2,450.04	2,302.67	2,155.70	2,025.46	1,897.40	1,782.43	1,674.42	1,572.95
7/01/1997	3,305.56	2,702.03	2,527.22	2,375.20	2,223.93	2,089.57	1,957.64	1,839.03	1,727.58	1,622.89
1/01/1998	3,404.73	2,786.47	2,606.83	2,450.02	2,294.31	2,155.70	2,019.79	1,897.41	1,782.43	1,674.41
7/01/1998	3,506.88	2,873.55	2,688.94	2,527.20	2,366.93	2,223.93	2,083.92	1,957.66	1,839.02	1,727.58
1/01/1999	3,612.09	2,963.35	2,773.65	2,606.81	2,441.85	2,294.32	2,150.09	2,019.81	1,897.41	1,782.43
7/01/1999	3,720.45	3,055.95	2,861.02	2,688.93	2,519.13	2,366.94	2,218.35	2,083.94	1,957.65	1,839.02
1/01/2000	3,832.07	3,151.45	2,951.14	2,773.63	2,598.87	2,441.85	2,288.79	2,150.11	2,019.81	1,897.41
7/01/2000	3,947.03	3,249.94	3,044.10	2,861.00	2,681.12	2,519.14	2,361.46	2,218.37	2,083.94	1,957.65
1/01/2001	4,065.44	3,351.50	3,139.99	2,951.12	2,765.98	2,598.87	2,436.43	2,288.81	2,150.10	2,019.81
7/01/2001	4,187.41	3,456.23	3,238.91	3,044.09	2,853.53	2,681.13	2,513.79	2,361.47	2,218.37	2,083.93
1/01/2002	4,313.03	3,564.24	3,340.93	3,139.98	2,943.84	2,765.99	2,593.60	2,436.45	2,288.80	2,150.10
7/01/2002	4,442.43	3,675.62	3,446.17	3,238.89	3,037.02	2,853.53	2,675.95	2,513.81	2,361.47	2,218.37
1/01/2003	4,575.70	3,790.48	3,554.73	3,340.92	3,133.14	2,943.85	2,760.91	2,593.62	2,436.45	2,288.80
7/01/2003	4,712.98	3,908.94	3,666.71	3,446.16	3,232.31	3,037.02	2,848.57	2,675.97	2,513.81	2,361.47
1/01/2004	4,854.37	4,031.09	3,782.21	3,554.72	3,334.61	3,133.15	2,939.02	2,760.93	2,593.62	2,436.44
7/01/2004	5,000.00	4,157.06	3,901.35	3,666.69	3,440.16	3,232.31	3,032.33	2,848.59	2,675.97	2,513.80
1/01/2005	-	4,286.97	4,024.24	3,782.20	3,549.04	3,334.62	3,128.61	2,939.03	2,760.93	2,593.62
7/01/2005	-	4,420.94	4,151.01	3,901.34	3,661.37	3,440.16	3,227.94	3,032.35	2,848.59	2,675.96
1/01/2006	-	4,559.09	4,281.77	4,024.24	3,777.25	3,549.04	3,330.43	3,128.62	2,939.03	2,760.93
7/01/2006	-	4,701.57	4,416.65	4,151.00	3,896.81	3,661.37	3,436.17	3,227.96	3,032.34	2,848.58
1/01/2007	-	4,848.49	4,555.77	4,281.76	4,020.14	3,777.26	3,545.27	3,330.45	3,128.62	2,939.03
7/01/2007	-	5,000.00	4,699.28	4,416.64	4,147.38	3,896.81	3,657.84	3,436.19	3,227.96	3,032.34
1/01/2008	-	-	4,847.31	4,555.77	4,278.65	4,020.15	3,773.97	3,545.29	3,330.44	3,128.62
7/01/2008	-	-	5,000.00	4,699.28	4,414.07	4,147.39	3,893.80	3,657.85	3,436.18	3,227.95
1/01/2009	-	-	-	4,847.31	4,553.78	4,278.65	4,017.43	3,773.99	3,545.28	3,330.44
7/01/2009	-	-	-	5,000.00	4,697.91	4,414.08	4,144.98	3,893.81	3,657.85	3,436.18
1/01/2010	-	-	-	-	4,846.61	4,553.78	4,276.59	4,017.44	3,773.98	3,545.28
7/01/2010	-	-	-	-	5,000.00	4,697.91	4,412.37	4,144.99	3,893.81	3,657.84
1/01/2011	-	-	-	-	-	4,846.61	4,552.47	4,276.59	4,017.44	3,773.98
7/01/2011	-	-	-	-	-	5,000.00	4,697.01	4,412.38	4,144.99	3,893.81
1/01/2012	-	-	-	-	-	-	4,846.14	4,552.47	4,276.59	4,017.43
7/01/2012	-	-	-	-	-	-	5,000.00	4,697.01	4,412.38	4,144.99
1/01/2013	-	-	-	-	-	-	-	4,846.14	4,552.47	4,276.59
7/01/2013	-	-	-	-	-	-	-	5,000.00	4,697.01	4,412.37
1/01/2014	-	-	-	-	-	-	-	-	4,846.14	4,552.47
7/01/2014	-	-	-	-	-	-	-	-	5,000.00	4,697.01
1/01/2015	-	-	-	-	-	-	-	-	-	4,846.14
7/01/2015	-	-	-	-	-	-	-	-	-	5,000.00

**Appendix A-2 to  
Trust Agreement**

**FORM OF SERIES 2004 BOND**

(See Attached)

REGISTERED

UNITED STATES OF AMERICA  
STATE OF MARYLAND

REGISTERED

No. R-\_\_\_\_\_

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

**MARYLAND TRANSPORTATION AUTHORITY**

**Transportation Facilities Projects Revenue Bond  
Series 2004**

<b><u>Maturity Date</u></b>	<b><u>Interest Rate</u></b>	<b><u>Dated Date</u></b>	<b><u>CUSIP No.</u></b>
July 1, 20____	%	July 1, 2004	

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 Revenues (defined herein) and other amounts pledged to such payment under the Amended and Restated Trust Agreement (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 The Bank of New York, 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: 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 payable 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 ten (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, (ii) a day on which commercial banks in the State of Maryland, in the State of New York, or in 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”) or of the Authority, or a pledge of the faith and credit of the State, any political subdivision thereof the Department or the Authority, but shall be payable solely from the Revenues and other amounts pledged to such payments under the Trust Agreement. Neither the State nor any political subdivision thereof, nor the Department, 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. Amended and Restated Trust Agreement. This bond is one of a duly authorized series of revenue bonds of the Authority aggregating One Hundred Sixty Million Dollars (\$160,000,000) in principal amount, known as “Maryland Transportation Authority, Transportation Facilities Projects Revenue Bonds, Series 2004” (the “**Bonds**”), duly authorized and issued by the Authority under and pursuant to Title 4 of the Transportation Article of the Annotated Code of Maryland, (as amended) (the “**Enabling Act**”), (ii) certain proceedings of the Authority, (iii) and the Amended and Restated Trust Agreement, dated as of June 1, 2004 (the “**Trust Agreement**”), by and between the Authority and The Bank of New York, as trustee (the “**Trustee**”), amending and restating the Trust Agreement dated December 1, 1985 by and between the Authority and the Trustee (as successor trustee thereto) to finance the cost of certain projects (the “**Transportation Facilities Projects**”), to fund the Series 2004 Revenue

Subaccount 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 West Paterson, New Jersey. 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 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 pursuant to the Trust Agreement.

3. Authorized Denominations. The Bonds are issuable as fully registered bonds without coupons in denominations of \$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 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 thirty (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. 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.

7. 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.

8. 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.

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

10. 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.

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

12. Notices. Except as otherwise provided in the Trust Agreement, when the Trustee is required to give notice to the owner of this bond, such notice shall be mailed by first-class mail to the registered owner of this bond at such owner's address as it appears on the registration books maintained by the Trustee. Any notice mailed as provided herein will be conclusively presumed to have been given, whether or not actually received by the addressee.

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

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

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

## STATEMENT OF INSURANCE

Financial Security Assurance, Inc. ("Financial Security"), New York, New York, has delivered its municipal bond insurance policy with respect to the scheduled payments due of principal of and interest on this Bond to The Bank of New York, West Paterson, New Jersey as Trustee, or its successor, as paying agent for the Bonds ("the "Paying Agent"). Said policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from Financial Security or the Paying Agent.

**IN WITNESS WHEREOF**, Maryland Transportation Authority has caused this bond to bear the 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 1st day of July, 2004.

[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: July 1, 2004

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 Principal Counsel to the Maryland Transportation Authority, and of Bond Counsel, McKennon Shelton & Henn LLP, Baltimore, Maryland, is on file with the undersigned.

**THE BANK OF NEW YORK,**  
as Bond Registrar

By:

\_\_\_\_\_  
Authorized Officer

## PAYMENT GRID

**Appendix A-3 to  
Trust Agreement**

**FORM OF SERIES 2007 BOND**

(See Attached)

**FORM OF SERIES 2007 BOND**

**IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER THE  
ENTIRE PRINCIPAL AMOUNT 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-\_\_\_\_\_

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

**MARYLAND TRANSPORTATION AUTHORITY**

**Transportation Facilities Projects Revenue Bond  
Series 2007**

<b><u>Maturity Date</u></b>	<b><u>Interest Rate</u></b>	<b><u>Dated Date</u></b>	<b><u>CUSIP No.</u></b>
July 1, 20____	_____ %	September 20, 2007	57430M_____

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 Revenues and other amounts pledged to such payment under the Trust Agreement (defined herein) to the Registered Owner shown above or registered assigns or legal representative, on the Maturity Date set forth above (or earlier as hereinafter referred to), upon the presentation and surrender hereof at the designated office (the "Designated Office") of the Trustee (defined herein), the Principal Amount shown above (or such lesser amount as shall be outstanding hereunder from time to time in accordance with Section 5 hereof) on the Maturity Date shown above (or earlier as hereinafter referred to), with interest thereon from the most recent date to which interest has been paid, or if the Date of Authentication shown below is prior to the first interest payment date, from the Dated Date as set forth above at the Interest Rate shown above until said Principal Amount is paid, payable on January 1, 2008, and semiannually thereafter on July 1 and January 1 of each year (each, an "Interest Payment Date").

All interest due on this bond shall be payable to the person in whose name this bond is registered on the bond registration books maintained by The Bank of New York, as trustee and registrar (such entity and any successor in such capacity being referred to herein as the “**Trustee**”) as of the close of business on the fifteenth (15<sup>th</sup>) day of the calendar month immediately preceding the Interest Payment Date upon which such interest is due and payable and shall be made by wire transfer or check mailed to the address of such owner as it appears on the bond registration books maintained by the Trustee; *provided*, that if there is a default in the payment of interest due hereon, such defaulted interest shall be payable to the person in whose name this bond is registered as of the close of business on a subsequent date fixed by the Trustee (the “**Special Record Date**”). Such payment of interest shall be by wire transfer or check mailed to the address of such owner 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 ten (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**” means any day other than a Saturday or Sunday on which commercial banks (including the Trustee, the Bond Registrar and any Paying Agent) are open for business in the State of Maryland and in New York, New York and on which the New York Stock Exchange is open.

**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**”) or of the Authority, or a pledge of the faith and credit of the State, any political subdivision thereof, the Department or the Authority, but shall be payable solely from the Revenues and other amounts pledged to such payment under the Trust Agreement. Neither the State nor any political subdivision thereof, nor the Department, 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. Neither the Authority, nor the Department have taxing power.**

1. **Trust Agreement.** This bond is one of a duly authorized series of revenue bonds of the Authority aggregating Three Hundred Million Dollars (\$300,000,000) in principal amount, known as “Maryland Transportation Authority Transportation Facilities Projects Revenue Bonds, Series 2007” (the “**Bonds**”), duly authorized and issued by the Authority under and pursuant to (i) Title 4 of the Transportation Article of the Annotated Code of Maryland, as amended (the “**Enabling Act**”), (ii) certain proceedings of the Authority, (iii) and the Second Amended and Restated Trust Agreement dated as of September 1, 2007 (as amended and supplemented from time to time, the “**Trust Agreement**”), by and between the Authority and The Bank of New York, as trustee (the “**Trustee**”), amending and restating in its entirety the Amended and

Restated Trust Agreement dated as of June 1, 2004 between the Authority and the Trustee. The Bonds are issued to finance and refinance the cost of certain transportation facilities projects as more fully described in the Trust Agreement (the “**Projects**”), to fund the reserve subaccount securing the Bonds in the amount of the Debt Service Reserve Requirement for the Bonds 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 Designated Office of the Trustee. 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 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. The Bonds. All the Bonds are of like tenor except as to number, principal amount, maturity, interest rate and redemption provisions and mature on July 1 of the years and in the amounts and bear interest as set forth in the Trust Agreement.

3. Authorized Denominations. The Bonds are issuable only in registered form without coupons in denominations of \$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 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 thirty (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 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 Amount shown on the face hereof reduced by the principal amount of any partial redemption of this bond following which the holder of this bond has elected not to surrender this bond 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. 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, 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.

7. 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.

8. 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.

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

10. 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.

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

12. Notices. Except as otherwise provided in the Trust Agreement, when the Trustee is required to give notice to the owner of this bond, such notice shall be mailed by first-class mail to the registered owner of this bond at such owner's address as it appears on the registration books maintained by the Trustee. Any notice mailed as provided herein will be conclusively presumed to have been given, whether or not actually received by the addressee.

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

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

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

## STATEMENT OF INSURANCE

Financial Security Assurance, Inc. ("Financial Security"), New York, New York, has delivered its municipal bond insurance policy with respect to the scheduled payments due of principal of and interest on this Bond to The Bank of New York, West Paterson, New Jersey as Trustee, or its successor, as paying agent for the Bonds ("the "Paying Agent"). Said policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from Financial Security or the Paying Agent.

**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 20th day of September, 2007.

**MARYLAND TRANSPORTATION AUTHORITY**

[SEAL]

By: \_\_\_\_\_  
John D. Porcari  
Chairman

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Ronald L. Freeland  
Executive Secretary

## CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_, 2007

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 Principal Counsel to the Maryland Transportation Authority, and of Bond Counsel, McKennon Shelton & Henn LLP, Baltimore, Maryland, is on file with the undersigned.

**THE BANK OF NEW YORK,**  
as Bond Registrar

By: \_\_\_\_\_

Authorized Officer

## PAYMENT GRID

04020781

**Appendix B to  
Trust Agreement**

**2007 PROJECTS**

Additions, improvements and/or enlargements to the Harry W. Nice Memorial Potomac River Bridge, the William Preston Lane, Jr. Memorial Chesapeake Bay Bridge and parallel Chesapeake Bay Bridge, the Baltimore Harbor Tunnel, the Fort McHenry Tunnel, the Francis Scott Key Bridge, and the John F. Kennedy Memorial Highway, together with their appurtenant causeways, approaches, interchanges, entrance plazas, toll stations and service facilities.

**Appendix C to  
Trust Agreement**

**HISTORY OF TRANSPORTATION FACILITIES PROJECTS FINANCINGS**

## **HISTORY OF TRANSPORTATION FACILITIES PROJECTS FINANCINGS**

The following information sets forth a summary of the significant legislation, revenue bond issuances and trust agreements related to the Maryland Transportation Authority (the “Authority”) program to finance the acquisition, construction of its revenue generating transportation facilities and certain other transportation facilities related thereto. Capitalized terms used by not defined herein shall have the meaning set forth in the Second Amended and Restated Trust Agreement dated as of September 1, 2007 (the “2007 Trust Agreement”), between the Authority and the Bank of New York, as trustee.

### **1937 Revenue Bond Act**

By virtue of Chapter 356 of the Laws of Maryland of 1937 (“1937 Revenue Bond Act”), the State Roads Commission of Maryland (the “Commission”), an agency of the State of Maryland (the “State”), was authorized and empowered:

- (a) to construct, maintain and operate bridges over rivers and navigable waters which are wholly or partly within the State;
- (b) to issue revenue bonds of the State, payable solely from revenues, for the purpose of paying all or part of the cost of constructing any one or more of such bridges;
- (c) to issue revenue refunding bonds of the State, payable solely from revenues, for the purpose of refunding any revenue bonds issued under the provisions of the 1937 Revenue Bond Act and then outstanding; and
- (d) to fix and revise from time to time tolls for the use of such bridge or bridges.

### **1938 Act of Congress**

By virtue of the Act of Congress approved April 7, 1938 (52 Stat. 205) entitled “An Act authorizing the State of Maryland, by and through its State Roads Commission or the successors of said commissions to construct, maintain, and operate certain bridges across streams, rivers, and navigable waters which are wholly or partly within the State” (the “1938 Act of Congress”), the Commission was authorized and empowered to construct, maintain and operate (a) a bridge across the Susquehanna River from a point in Cecil County at or near Perryville to a point approximately opposite in Harford County at or near Havre de Grace and approaches thereto (the “Susquehanna River Bridge”) and (b) a bridge across the Potomac River from a point in Charles County at or near Ludlow’s Ferry to a point approximately opposite in the State of Virginia near Dahlgren and Colonial Beach and approaches thereto (formerly known as the “Potomac River Bridge” and now named the “Harry W. Nice Memorial Bridge”).

## **Grouping Bridges for Financing Purposes**

By virtue of the 1937 Revenue Bond Act and the 1938 Act of Congress, the Commission was authorized and empowered:

- (a) to unite or group such bridges for financing purposes and to provide for the issuance of a single issue of revenue bonds for the purpose of paying the cost of such bridges; and
- (b) to charge tolls for the use of each of such bridges, such tolls to be so fixed and adjusted in respect of the aggregate of tolls from the bridges so united or grouped as to provide a fund sufficient, with other revenues, if any, to pay the cost of maintaining, repairing and operating the bridges, unless such cost should be otherwise provided for, and also to pay such revenue bonds and the interest thereon as the same should become due and payable.

## **Construction of Susquehanna River and Potomac River Bridges**

The Commission selected the location and adopted and approved plans and specifications for the construction of each of such bridges; the Secretary of War and the Chief of Engineers of the United States of America approved the location, plans and specifications for each of such bridges; and each of such bridges has been constructed and in 1940, were opened for traffic.

### **Issuance of Bridge Revenue Bonds Series 1938 Dated October 1, 1938**

For the purpose of paying part of the cost of the Susquehanna River Bridge and the Potomac River Bridge, the Commission issued bridge revenue bonds of the State, payable solely from the revenues of such bridges, in the aggregate principal amount of \$6,000,000, designated "Bridge Revenue 3 3/4% Bonds, Series A," dated as of October 1, 1938 (the "Series 1938 A Bonds").

### **Issuance of Bridge Revenue Refunding Bonds Series 1941 Dated June 1, 1941**

For the purpose of providing funds, with other available funds, for refunding all of the Series A Bonds, Bridge Revenue 3 3/4% Bonds, Series A, thereby taking advantage of the low interest rates for public securities then prevailing and effecting substantial savings, the Commission issued bridge revenue refunding bonds of the State, payable solely from the revenues of such bridges, in the aggregate principal amount of \$6,000,000, designated "Bridge Revenue Refunding Bonds," dated as of June 1, 1941 (the "Series 1941 Bonds").

### **1947 Revenue Bond Act**

By virtue of Chapter 561 of the Laws of Maryland of 1947, as amended (the "1947 Revenue Bond Act"), the Commission was authorized and empowered:

- (a) to construct, maintain, repair and operate bridges over and tunnels under rivers and navigable waters which are wholly or partly within the State;
- (b) to issue revenue bonds of the State, payable solely from revenues, for the purpose of refunding any outstanding bridge revenue bonds and paying all or any part of the cost of any one or more bridges or tunnels;
- (c) to fix and revise from time to time tolls for transit over or through each bridge or tunnel constructed by it; and
- (d) to charge tolls for the use of the Susquehanna River Bridge and the Potomac River Bridge and to pledge such tolls to the payment of revenue bonds issued under the provisions of the 1947 Revenue Bond Act.

#### **1948 Act of Congress**

By virtue of the Act of Congress approved June 16, 1948 (62 Stat. 463), entitled "An Act supplementing the Act entitled 'An Act authorizing the State of Maryland, by and through its State Roads Commission or the successors of said commission, to construct, maintain and operate certain bridges across streams, rivers, and navigable waters which are wholly or partly within the State', approved April 7, 1938" (the "1948 Act of Congress"), the Commission was authorized and empowered:

- (a) to construct, maintain and operate (i) a bridge across or a tunnel under the Chesapeake Bay, in the State of Maryland, from a point in Anne Arundel County at or near Sandy Point to a point approximately opposite on Kent Island, or a combined bridge and tunnel at such location, and approaches thereto, and (ii) a bridge across or a tunnel under the Patapsco River in the City of Baltimore from a point at or near the mouth of North West Branch to a point approximately opposite at or near Fairfield, and approaches thereto;
- (b) to fix and charge tolls in accordance with the laws of the State for the use of each of such structures and to use such tolls in accordance with such laws for the purposes provided in the 1948 Act of Congress; and
- (c) to unite or group either or both the Susquehanna River Bridge and the Potomac River Bridge with either or both of such structures for financing purposes.

#### **Construction of Initial Chesapeake Bay Bridge**

The Commission selected the location and adopted and approved plans for the construction of such bridge across the Chesapeake Bay (the "Initial Chesapeake Bay Bridge"), the location and plans for the Initial Chesapeake Bay Bridge were approved by the Chief of Engineers and the Secretary of the Army of the United States of America and the Initial Chesapeake Bay Bridge was constructed and in 1952, opened for traffic.

### **Issuance of Bridge Revenue Bonds (Series 1948) Dated October 1, 1948**

For the purpose of refunding all of the Series 1941 Bonds, which were then outstanding in the aggregate principal amount of \$1,384,000, and paying the cost of the Initial Chesapeake Bay Bridge, the Commission issued bridge revenue bonds of the State, payable solely from the revenues of the Susquehanna River Bridge, the Potomac River Bridge and the Initial Chesapeake Bay Bridge, in the aggregate principal amount of \$43,925,000, designated "Bridge Revenue Bonds (Series 1948)", dated as of October 1, 1948 (the "Series 1948 Bonds").

### **Construction of Baltimore Harbor Tunnel**

The Commission selected the location and adopted and approved plans for the construction of such tunnel under the Patapsco River in the City of Baltimore (the "Baltimore Harbor Tunnel"), the location and plans for the Baltimore Harbor Tunnel were approved by the Chief of Engineers and the Secretary of the Army of the United States of America and the Baltimore Harbor Tunnel was constructed and in 1957, was opened for traffic.

### **Issuance of Bridge and Tunnel Revenue Bonds Series 1954 Dated October 1, 1954**

For the purpose of refunding all of the Series 1948 Bonds, which were then outstanding in the aggregate principal amount of \$34,037,000, and paying the cost of the Baltimore Harbor Tunnel, the Commission issued bridge and tunnel revenue bonds of the State, payable solely from the revenues of the Susquehanna River Bridge, the Potomac River Bridge, the Initial Chesapeake Bay Bridge and the Baltimore Harbor Tunnel, in the aggregate principal amount of \$180,000,000, designated "Bridge and Tunnel Revenue Bonds," dated as of October 1, 1954 (the "Series 1954 Bonds").

### **Northeastern Expressway Legislation**

By virtue of Chapter 437 of the Laws of Maryland of 1955, as amended, the Commission was authorized and empowered

(a) to construct, maintain, repair and operate a toll express highway, to be known as the "Northeastern Expressway," extending from a point at or within the city limits of the City of Baltimore, Maryland, northeasterly between U.S. Routes 40 and 1 to a point at or near the boundary line between the State of Maryland and the Commonwealth of Pennsylvania, including a connection to a point at or near the boundary line between the State of Maryland and the State of Delaware, or any part or parts thereof;

(b) to issue revenue bonds of the State, payable solely from the tolls and revenues pledged for their payment, for the purpose of paying all or any part of the cost of such toll express highway or any part or parts thereof; and

(c) to fix and revise from time to time tolls for transit over such toll express highway and any part or parts thereof.

## **Construction of Northeastern Expressway**

The Commission selected the location and adopted and approved plans for the construction of that part of such express highway, to be operated as a toll express highway, 42.4 miles in length, extending from Whitemarsh Boulevard in Baltimore County, Maryland, northeasterly between U.S. Routes 40 and 1 to a point on the boundary line between the State of Maryland and the State of Delaware connecting with the Delaware Turnpike (formerly known as the "Northeastern Expressway" and now named the "John F. Kennedy Memorial Highway") and the Northeastern Expressway was constructed and in 1963, was opened for traffic.

## **Issuance of Northeastern Expressway Revenue Bonds (Series 1962) Dated January 1, 1962; 1962 Trust Agreement**

For the purpose of paying the cost of the Northeastern Expressway, the Commission issued, under and pursuant to the provisions of a trust agreement, dated as of January 1, 1962, by and between the Commission and Maryland National Bank, as trustee, revenue bonds of the State, payable solely from the revenues of the Northeastern Expressway, in the aggregate principal amount of \$74,000,000, designated "Northeastern Expressway Revenue Bonds," dated as of January 1, 1962 (the "Series 1962 Bonds").

## **1947 Revenue Bond Act, as Amended**

By virtue of the 1947 Revenue Bond Act, as amended, the Commission was authorized and empowered

(a) to construct, maintain, repair and operate bridges over and tunnels under rivers and navigable waters which are wholly or partly within the State and motorways within the State, including (i) a crossing generally parallel to the Initial Chesapeake Bay Bridge, (ii) an additional crossing across Baltimore Harbor, (iii) a northern crossing of Chesapeake Bay between Millers Island in Baltimore County and a point in Kent County and (iv) a southern crossing of Chesapeake Bay between Calvert County and Dorchester County;

(b) to issue revenue bonds of the State, payable solely from revenues, for the purpose of refunding any revenue bonds issued under the provisions of the 1947 Revenue Bond Act, as amended, and then outstanding and paying all or any part of the cost of any additional project or projects;

(c) to fix and revise from time to time tolls for transit over or through each project constructed by it; and

(d) to charge tolls for the use of the Susquehanna River Bridge, the Potomac River Bridge, the initial Chesapeake Bay Bridge and the Baltimore Harbor Tunnel and to pledge such tolls to the payment of revenue bonds issued under the provisions of the 1947 Revenue Bond Act, as amended.

## **1967 Act of Congress**

By virtue of the Act of Congress approved November 17, 1967 (81 Stat. 466), entitled "An Act to amend the Act of June 16, 1948, to authorize the State of Maryland, by and through its State roads commission or the successors of said commission, to construct, maintain, and operate certain additional bridges and tunnels in the State of Maryland" (the "1967 Act of Congress"), the Commission was authorized and empowered:

- (a) to construct, maintain and operate (i) a bridge parallel to the initial Chesapeake Bay Bridge, (ii) an additional tunnel under or a bridge across the Patapsco River from a point at or near Hawkins Point in the City of Baltimore to a point at or near Sparrows Point in Baltimore County, (iii) a bridge across or a tunnel under the Chesapeake Bay from a point in Baltimore County at or near Millers Island to a point in Kent County, or a combined bridge and tunnel at such location the "Northern Crossing"), and (iv) a bridge across or a tunnel under the Chesapeake Bay from a point in Calvert County to a point in Dorchester County, or a combined bridge and tunnel at such location (the "Southern Crossing"), and, with respect to each structure, approaches, including connecting highways, thereto;
- (b) to fix and charge tolls in accordance with the laws of the State of Maryland for the use of each of such structures and to use such tolls in accordance with such laws for the purposes provided in the 1948 Act of Congress; and
- (c) to unite or group any one or more of the Susquehanna River Bridge, the Potomac River Bridge, the Initial Chesapeake Bay Bridge and the Baltimore Harbor Tunnel with any one or more of such structures for financing purposes.

### **Reasonable Rates of Toll**

By virtue of the 1938 Act of Congress, the 1948 Act of Congress and the 1967 Act of Congress, the Secretary of Transportation of the United States of America may at any time and from time to time prescribe reasonable and just rates of toll for vehicles using the Susquehanna River Bridge, the Potomac River Bridge, the Chesapeake Bay Bridge (hereinafter defined), the Baltimore Harbor Tunnel and the Baltimore Harbor Outer Bridge (hereinafter defined).

### **Construction of Parallel Chesapeake Bay Bridge**

The Commission selected the location and adopted and approved plans for the construction of a bridge generally parallel to the Initial Chesapeake Bay Bridge the "Parallel Chesapeake Bay Bridge" the location and plans for the Parallel Chesapeake Bay Bridge were approved by the Commandant of the United States Coast Guard, Department of Transportation and the Parallel Chesapeake Bay Bridge was constructed and in 1973, was opened for traffic.

### **Construction of Baltimore Harbor Outer Bridge**

The Commission selected the location and adopted and approved plans for the construction of a bridge across the Patapsco River from a point at or near Hawkins Point in the City of Baltimore to a point at or near Sparrows Point in Baltimore County (formerly called the "Baltimore Harbor Outer Bridge" and now named the "Francis Scott Key Bridge"), and the location and plans for the Francis Scott Key Bridge were approved by the Commandant of the United States Coast Guard, Department of Transportation; and the Francis Scott Key Bridge was constructed and in 1977, was opened for traffic.

### **Issuance of Bridge and Tunnel Revenue Bonds (Series 1968) Dated October 1, 1968**

For the purpose of paying the cost of the Parallel Chesapeake Bay Bridge, the Francis Scott Key Bridge and a connection between one of the southern approaches to the Baltimore Harbor Tunnel and Interstate Route 95, a part of the cost of traffic and other studies and engineering for the Northern Crossing and the Southern Crossing and a part of the cost of acquisition of the rights of way for the Northern Crossing and the Southern Crossing, the Commission issued, under and pursuant to the provisions of a trust agreement, dated as of October 1, 1968 (the "1968 Trust Agreement"), revenue bonds of the State in the aggregate principal amount of \$220,000,000, designated "Bridge and Tunnel Revenue Bonds (Series 1968)," dated as of October 1, 1968 (the "Series 1968 Bonds"), by and between the Commission and Maryland National Bank, as trustee, payable solely from the revenues of the Susquehanna River Bridge, the Potomac River Bridge, the Initial and Parallel Chesapeake Bay Bridges (the Initial and Parallel Chesapeake Bay Bridges being formerly collectively called the "Chesapeake Bay Bridge" and now named the "Wm. Preston Lane, Jr. Memorial Bridge"), the Baltimore Harbor Tunnel and the Francis Scott Key Bridge, subject to the prior payment of the \$36,116,000 then outstanding Bridge and Tunnel Revenue Bonds, dated as of October 1, 1954, from such revenues.

### **Issuance of Bridge and Tunnel Revenue Bonds (Series 1975) Dated July 1, 1975**

For the purpose of providing additional funds for completing payment of the cost of the Parallel Chesapeake Bay Bridge, the Francis Scott Key Bridge and the connection between one of the southern approaches to the Baltimore Harbor Tunnel and Interstate Route 95, the Authority, as the successor to the Commission, issued, under and pursuant to the provisions of the 1968 Trust Agreement, revenue bonds of the State, payable solely from the revenues of the Susquehanna River Bridge, the Potomac River Bridge, the Chesapeake Bay Bridge, the Baltimore Harbor Tunnel and the Francis Scott Key Bridge, in the aggregate principal amount of \$34,000,000, designated "Bridge and Tunnel Revenue Bonds (Series 1975,") dated as of July 1, 1975 (the "Series 1975 Bonds")

### **Issuance of Transportation Facilities Projects Revenue Bonds (Series 1978) Dated July 1, 1978; Original 1978 Trust Agreement; Projects Combined**

The Authority determined to combine for the purposes of operation and financing the Susquehanna River Bridge, the Potomac River Bridge, the Chesapeake Bay Bridge,

the Baltimore Harbor Tunnel, the Francis Scott Key Bridge, the Northeastern Expressway and any additional project or projects, and for such purpose and for the purpose of providing funds, with other available funds, for refunding the Series 1962 Bonds, the Series 1968 Bonds and the Series 1975 Bonds, including the payment of the redemption premiums thereon and the interest to accrue thereon to their maturity dates or the dates fixed for their redemption, the Authority issued, under and pursuant to the provisions of a trust agreement, dated as of July 1, 1978 (the "Original 1978 Trust Agreement"), by and between the Authority and Maryland National Bank, as trustee, revenue bonds of the Authority, payable solely from the revenues of such projects, in the aggregate principal amount of \$121,900,000, designated "Transportation Facilities Projects Revenue Bonds, First Series (Refunding)", dated as of July 1, 1978 (the "Series 1978 Bonds").

### **Amendment of Original 1978 Trust Agreement**

With the consent of the holders of a majority in aggregate principal amount of the outstanding Series 1978 Bonds, the Authority amended the Original 1978 Trust Agreement with a Supplemental Agreement, dated as of July 15, 1982, by the terms of which, among other things, the Authority was authorized to eliminate tolls on the ramps on the Northeastern Expressway (the Original 1978 Trust Agreement as amended by such Supplemental Agreement being hereinafter called the "1978 Trust Agreement").

### **Acquisition of Fort McHenry Tunnel**

Pursuant to an agreement dated August 12, 1981, as amended, the Authority agreed to acquire from the Mayor and the City Council of Baltimore (the "City") the Fort McHenry Tunnel under the Northwest Branch of the Patapsco River in the City from Fort McHenry on Locust Point to a point approximately opposite near Canton, Maryland (the "Fort McHenry Tunnel") and the Fort McHenry Tunnel was completed and in 1985, was opened for traffic.

### **1981 Act of Congress**

By virtue of the Act of Congress approved on December 23, 1981 (Public Law 97-102), the 1938 Act of Congress, the 1948 Act of Congress and the 1967 Act of Congress were repealed, and the State, by and through the Authority or the successors of the Authority, was authorized, subject to all applicable federal laws (1) to continue to collect tolls from its existing transportation facilities projects and (2) to use the revenues from such tolls for transportation projects of the type the State or the Authority is authorized to construct, operate or maintain under then existing laws of the State.

### **Enabling Legislation**

By virtue of Title 4 of the Transportation Article of the Annotated Code of Maryland, as amended (the "Enabling Legislation"), the Authority, acting on behalf of the Department of Transportation of Maryland, is authorized and empowered:

- (a) to finance, construct, acquire, maintain, repair and operate transportation facilities projects, defined in the Enabling Act to include airport, highway, port, rail and transit facilities;
- (b) to issue revenue bonds, notes or other obligations of the Authority, payable solely from revenues, for the purpose of refunding any revenue bonds issued under the Enabling Act or any of the Series 1978 Bonds and paying all or any part of the cost of any additional transportation facilities project or projects;
- (c) to fix, revise, charge and collect rentals, rates, fees, tolls and other charges and revenues for the use or services of all or any part of any transportation facilities project, and to pledge such rentals, rates, fees, tolls and other charges and revenues under a trust agreement to the extent provided in such trust agreement; and
- (d) to combine for financing purposes one or more transportation facilities projects, including the Potomac River Bridge, the Chesapeake Bay Bridge, the Baltimore Harbor Tunnel, the Francis Scott Key Bridge, the Northeastern Expressway and the Fort McHenry Tunnel.

**1985 Trust Agreement; Authorization of Transportation Facilities Projects Revenue Bonds, Series 1985, Dated December 1, 1985**

The Authority determined to combine for purposes of operation and financing the Potomac River Bridge, the Chesapeake Bay Bridge, the Baltimore Harbor Tunnel, the Francis Scott Key Bridge, the Northeastern Expressway, the Fort McHenry Tunnel and any additional Project (defined herein) or Projects and any additions, improvements and enlargements thereto (collectively "Transportation Facilities Projects," as defined herein) and for such purpose and for the purpose of providing funds, with other available funds, for (a) refunding the Series 1978 Bonds, including the payment of the interest to accrue thereon to their maturity dates or redemption dates and (b) providing for the payment of all or a portion of the obligation assumed by the Authority in connection with its acquisition of the Fort McHenry Tunnel, the Authority issued under and pursuant to the provisions of a trust agreement dated as of December 1, 1985 between the Authority and Union Trust Company (the "1985 Trust Agreement," the 1985 Trust Agreement together with all amendments and supplements executed and delivered on or prior to the date of this Agreement being referred to herein collectively as the "1985 Trust Agreement") revenue bonds in the aggregate principal amount of \$201,925,000, designated "Transportation Facilities Projects Revenue Bonds, Series 1985," dated as of the 1st day of December, 1985 (the "Series 1985 Bonds").

**Seagirt Marine Terminal**

The Authority determined to finance the construction of the Seagirt Marine Terminal (the "Seagirt Marine Terminal"), which by Resolution, the Authority designated as a General Account Project within the meaning of the Existing Trust Agreement, and to pay such costs from available funds of the Authority. The Seagirt Marine Terminal

became operational as a state-of-the-art containerized-cargo marine terminal in 1990, with an adjacent Intermodal Container Transfer Facility (the “ICTF”) rail yard that became operational in 1989. As part of the Seagirt Marine Terminal project, in order to assure access of rail freight into and out of the terminal, in 1987, the Authority acquired 100% ownership of the Canton Development Company, whose sole asset is the Canton Railroad Company, which controls rail access to the Seagirt Marine Terminal and which provides switching services for the ICTF.

### **Susquehanna River Bridge Reclassified**

The Authority also determined to reclassify the Susquehanna River Bridge as a “General Account Project” under the 1985 Trust Agreement and to pay Operating expenses of such Project from the General Account as provided in the 1985 Trust Agreement.

### **First Supplemental Trust Agreement, Dated as of May 1, 1987; Amendment of 1985 Trust Agreement**

With the consent of the holders of a majority in aggregate principal amount of the outstanding Series 1985 Bonds, the Authority amended the 1985 Trust Agreement by a First Supplemental Trust Agreement, dated as of May 1, 1987, with Signet Bank/Maryland (formerly named Union Trust Company of Maryland), as Trustee, by the terms of which, among other things, the Authority was authorized to eliminate tolls on the Parallel Chesapeake Bay Bridge and to collect tolls in the eastbound direction only.

### **Issuance of Transportation Facilities Projects Revenue Bonds (Series 1989) Dated July 15, 1989; Second Supplemental Trust Agreement, Dated as of July 15, 1989**

For the purpose of providing additional funds for the widening of, and the reconstruction of several bridges along, the Northeastern Expressway; the reconstruction of the toll plaza for, the repaving of, and the reconstruction of five bridges along, the Baltimore Harbor Tunnel and Thruway; and the reconstruction of the toll plaza for, and the reconfiguration of the western approach to, the Chesapeake Bay Bridge, the Authority issued, under and pursuant to the provisions of the 1985 Trust Agreement, as theretofore amended and supplemented, and a Second Supplemental Trust Agreement thereto with Signet Bank/Maryland, as Trustee, revenue bonds payable solely from the revenues of the Potomac River Bridge, the Chesapeake Bay Bridge, the Baltimore Harbor Tunnel, the Northeastern Expressway, the Francis Scott Key Bridge, the Fort McHenry Tunnel and any additional Project (defined herein) or Projects in the aggregate principal amount of \$55,000,000, designated “Transportation Facilities Projects Revenue Bonds (Series 1989),” dated as of July 15, 1989 (the “Series 1989 Bonds”).

### **Issuance of Transportation Facilities Projects Revenue Bonds (Series 1991) Dated May 15, 1991; Third Supplemental Trust Agreement, Dated as of May 15, 1991**

For the purpose of providing additional funds for the widening of, the construction of a truck inspection along, and the enlargement of parking facilities at the Maryland House Service Area along, the Northeastern Expressway; the renovation of the

Fairfield Service Building over, and the upgrading of all traffic signing along, the Baltimore Harbor Tunnel and Thruway; the construction of a major maintenance facility for the Fort McHenry Tunnel; the widening and reconstruction of the toll plaza for, and the expansion of the administration facility for, the Chesapeake Bay Bridge; and the installation of bridge lighting on the Francis Scott Key Bridge and approach bridges, and for the purpose of providing funds, with other available funds, for advance refunding the Series 1989 Bonds, including the payment of the redemption premiums thereon and the interest to accrue thereon to their maturity dates or the dates fixed for their redemption, the Authority, under and pursuant to the provisions of the 1985 Trust Agreement, as theretofore amended and supplemented, and a Third Supplemental Trust Agreement thereto with Signet Bank/Maryland, as Trustee, issued revenue bonds payable solely from the revenues of the Potomac River Bridge, the Chesapeake Bay Bridge, the Baltimore Harbor Tunnel, the Northeastern Expressway, the Francis Scott Key Bridge, the Fort McHenry Tunnel and any additional Project or Projects in the aggregate principal amount of \$81,000,000, designated "Transportation Facilities Projects Revenue Bonds (Series 1991)," dated as of May 15, 1991 (the "Series 1991 Bonds").

#### **Acquisition of Portions of Interstate 95 and Interstate 395 in Baltimore City**

Pursuant to an agreement dated July 3, 1991, as amended, the Authority agreed to acquire from the Mayor and the City Council of Baltimore (the "City") portions of I-95 and I-395 within the limits of Baltimore City. Effective July 15, 1991, the City agreed to transfer and the Authority agreed to accept operation, maintenance, and police patrol of these highways, comprising approximately four miles of I-95 from the southwestern boundary of the City to the southern approach to the Fort McHenry Tunnel, approximately six miles of I-95 from the eastern boundary of the City to the northern approach to the Fort McHenry Tunnel, and approximately one mile of I-395 from its intersection with I-95 to its termini. By Resolution of the Authority, these highways were included as a Transportation Facilities Project as an addition to the Fort McHenry Tunnel.

#### **Fourth Supplemental Trust Agreement, Dated as of September 1, 1991 •**

With the consent of the holders of a majority in aggregate principal amount of the outstanding Series 1985 Bonds and Series 1991 Bonds, the Authority amended the 1985 Trust Agreement, as theretofore amended and supplemented, with a Fourth Supplemental Trust Agreement, dated as of September 1, 1991, with Signet Trust Company (formerly named Union Trust Company of Maryland and Signet Bank/Maryland), as Trustee, by the terms of which, among other things, the Authority was authorized to collect tolls in the southbound direction only on the Potomac River Bridge, to collect tolls in the northbound direction only on the Northeastern Expressway, and to collect tolls in the northbound direction only on the Susquehanna River Bridge.

#### **1991 Act of Congress**

By virtue of the Act of Congress approved on December 18, 1991 (Public Law 102-240) (the Intermodal Surface Transportation Efficiency Act of 1991), the 1981 Act of Congress was repealed, and the State, by and through the Authority or the successors

of the Authority, was authorized, subject to all applicable federal laws (1) to continue to collect tolls with respect to the Fort McHenry Tunnel without the repayment of federal funds and (2) to use the revenues from such tolls in excess of revenues needed for debt service and the actual costs of operation and maintenance, for transportation projects of the type the State or the Authority was authorized to construct, operate or maintain under then existing laws of the State.

**Issuance of Transportation Facilities Projects Revenue Bonds (Series 1992) Dated as of August 15, 1992; Fifth Supplemental Trust Agreement, Dated as of August 15, 1992**

For the purpose of providing funds, with other available funds, for advance refunding of a portion of the Series 1985 Bonds, including the payment of the redemption premiums thereon and the interest to accrue thereon to their maturity dates or the dates fixed for their redemption, and to fund a deposit to the Series 1992 Reserve Subaccount, the Authority, under and pursuant to the provisions of the 1985 Trust Agreement, as theretofore amended and supplemented, and a Fifth Supplemental Trust Agreement thereto with Signet Trust Company, as Trustee, issued revenue bonds payable solely from the revenues of the Potomac River Bridge, the Chesapeake Bay Bridge, the Baltimore Harbor Tunnel, the Northeastern Expressway, the Francis Scott Key Bridge, the Fort McHenry Tunnel and any additional Project or Projects in the aggregate principal amount of \$162,115,294.55, designated "Transportation Facilities Projects Revenue Bonds (Series 1992)," dated as of August 15, 1992 (the "Series 1992 Bonds").

**Baltimore/Washington International Airport Facilities Projects**

On behalf of the Department of Transportation, the Authority determined to finance the construction of a 400,000 square-foot Governor William Donald Schaefer International Terminal at the Baltimore/Washington International Airport (the "BWI Airport"); improvements to the BWI Airport terminal roadway; the extension of Runway 10/28; the extension of BWI Airport terminal Concourse C; and the construction of two de-icing ramps and associated facilities (collectively, the "Airport Facilities Projects"), which by Resolution, the Authority designated as a General Account Project within the meaning of the 1985 Trust Agreement, as theretofore amended and supplemented, and to pay such costs from the Passenger Facility Charges (the "PFCs") received by the Maryland Aviation Administration for enplanements at the BWI Airport and from the amounts on deposit from time to time in the General Account of the Authority.

**Issuance of Special Obligation Revenue Bonds, Baltimore/Washington International Airport Projects (Series 1994) Dated October 15, 1994; Sixth Supplemental Trust Agreement, Dated as of October 15, 1994**

On behalf of the Department of Transportation, for the purpose of providing General Account funds as a reserve for the PFCs received by the Maryland Aviation Administration for enplanements at the BWI Airport, for the construction of the 400,000 square-foot Governor William Donald Schaefer International Terminal at the BWI Airport; improvements to the BWI Airport terminal roadway; the extension of Runway

10/28; the extension of BWI Airport terminal Concourse C; and the construction of two de-icing ramps and associated facilities, the Authority, under and pursuant to the provisions of the 1985 Trust Agreement, as theretofore amended and supplemented, and a Sixth Supplemental Trust Agreement thereto with Signet Trust Company, as Trustee, issued revenue bonds payable solely from the PFCs, and the amounts on deposit from time to time in the General Account of the Authority, in the aggregate principal amount of \$162,580,000, designated "Special Obligation Revenue Bonds Baltimore/Washington International Airport Projects (Series 1994)," dated as of October 15, 1994 (the "Series 1994 Bonds").

### **Masonville Auto Terminal**

The Authority determined to finance the construction of Phase I of the Masonville Auto Terminal (the "Masonville Auto Terminal"), which by Resolution, the Authority designated as a General Account Project within the meaning of the 1985 Trust Agreement, as theretofore amended and supplemented, and to pay such costs from available funds of the Authority. The Masonville Auto Terminal, a 42.5-acre facility, became operational as a state-of-the-art administrative/automobile import/export processing facility in 2000.

### **Issuance of Transportation Facilities Projects Revenue Refunding Bonds (Series 1998-A) Dated April 15, 1998; Seventh Supplemental Trust Agreement, Dated as of April 15, 1998**

For the purpose of providing funds, with other available funds, for advance refunding of a portion of the Series 1991 Bonds, including the payment of the redemption premiums thereon and the interest to accrue thereon to their maturity dates or the dates fixed for their redemption, and to fund a deposit to the Series 1998-A Reserve Subaccount, the Authority, under and pursuant to the provisions of the 1985 Trust Agreement, as theretofore amended and supplemented, and a Seventh Supplemental Trust Agreement thereto with The Bank of New York (successor to the Signet Trust Company), as Trustee, issued revenue bonds payable solely from the revenues of the Potomac River Bridge, the Chesapeake Bay Bridge, the Baltimore Harbor Tunnel, the Northeastern Expressway, the Francis Scott Key Bridge, the Fort McHenry Tunnel and any additional Project or Projects in the aggregate principal amount of \$16,380,000, designated "Transportation Facilities Projects Revenue Refunding Bonds (Series 1998-A)," dated as of April 15, 1998 (the "Series 1998 Bonds").

### **1998 Act of Congress**

By virtue of the Act of Congress approved on June 9, 1998 (Public Law 105-178) (the Transportation Equity Act for the 21<sup>st</sup> Century), the Authority was authorized to continue the commercial operations at the service plazas on the John F. Kennedy Memorial Highway on Interstate Route 95.

### **Defeasance of Series 1994 Bonds as of June 10, 2003**

Pursuant to an Escrow Deposit Agreement with The Bank of New York, as escrow deposit agent (the “1994 Escrow Deposit Agent”), supported by a report of the verification agent, the Authority provided for the payment of PFC revenues for the defeasance of the outstanding Series 1994 Bonds, and directed the 1994 Escrow Deposit Agent to redeem the Series 1994 Bonds on or before July 1, 2004. As of June 10, 2003, the 1994 Escrow Deposit Agent certified such defeasance. As of June 10, 2003, The Bank of New York, as Trustee, certified that the pledged money in the General Account of the Authority under the 1985 Trust Agreement, as theretofore amended and supplemented, and a Sixth Supplemental Trust Agreement thereto, for the Series 1994 Bonds was discharged, and that all of the obligations of the Authority with respect to payment of the principal or redemption price and interest on the Series 1994 Bonds are satisfied.

### **Intercounty Connector Project**

The Authority determined to finance the costs of the Intercounty Connector Project (the “ICC Project”), which by Resolution, the Authority designated as a General Account Project within the meaning of the 1985 Trust Agreement, as theretofore amended and supplemented, and to pay such costs from available funds of the Authority. The proposed ICC Project is currently being considered under the National Environmental Policy Act process as a multi-modal toll highway linking the Interstate Route 270 and Interstate Route 95/US Route 1 corridors in the Montgomery and Prince George’s Counties of Maryland, with related improvements, mitigation, and enhancements.

### **Defeasance of Series 1991 Bonds and a Portion of Series 1992 Bonds as of May 27, 2004**

Pursuant to an Escrow Deposit Agreement with The Bank of New York, as escrow deposit agent (the “1991/1992 Escrow Deposit Agent”), the Authority provided for the payment of amounts for the defeasance of all of the outstanding Series 1991 Bonds and the Series 1992 Bonds maturing on July 1, 2013 and July 1, 2015. As of May 27, 2004, the 1991/1992 Escrow Deposit Agent certified such defeasance. As of May 27, 2004, The Bank of New York, as Trustee, certified that the such bonds were no longer outstanding under the 1985 Trust Agreement, as theretofore amended and supplemented, and that all of the obligations of the Authority with respect to payment of the principal or redemption price and interest on such bonds are satisfied.

### **Issuance of Transportation Facilities Revenue Bonds, Series 2004**

For the purpose of providing funds, with other available funds, to pay all or a portion of the costs of certain additional Transportation Facilities Projects, the Authority has issued under and pursuant to the provisions of the Amended and Restated Trust Agreement dated as of June 1, 2004 (the “2004 Trust Agreement”) revenue bonds in the aggregate principal amount of \$160,000,000 designated “Transportation Facilities

Projects Revenue Bonds, Series 2004,” dated as of July 1, 2004 (the “Series 2004 Bonds”).

**Amendment and Restatement of 1985 Trust Agreement**

The Authority determined to enter into the 2004 Trust Agreement for the purpose of amending and supplementing the 1985 Trust Agreement.

**Issuance of Transportation Facilities Revenue Bonds, Series 2007**

For the purpose of providing funds, with other available funds, to pay all or a portion of the costs of certain additional Transportation Facilities Projects, the Authority issued under and pursuant to the provisions of the Second Amended and Restated Trust Agreement dated as of September 1, 2007 (the “2007 Trust Agreement”) revenue bonds in the aggregate principal amount of \$300,000,000 designated “Transportation Facilities Projects Revenue Bonds, Series 2007,” dated as of September 20, 2007 (the “Series 2007 Bonds”).

**Amendment and Restatement of 2004 Trust Agreement**

The Authority has determined to enter into the 2007 Trust Agreement for the purpose of amending and restating in its entirety the 2004 Trust Agreement.